BIRMINGHAM AIRPORT AUTHORITY

2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE BIRMINGHAM AIRPORT AUTHORITY

A Component Unit of the
City of Birmingham, Alabama

FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

Prepared By: Birmingham Airport Authority Finance Department

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INTRODUCTION

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Birmingham Airport Authority
Alabama**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

RESULT LETTER

Government Finance Officers Association
203 North LaSalle Street, Suite 2700
Chicago, Illinois 60601-1210
312.977.9700 fax: 312.977.4806

12/7/2022

Korey Campbell
Chief Financial Officer
Birmingham Airport Authority, Alabama

Dear Mr. Campbell:

Congratulations!

We are pleased to notify you that your annual comprehensive financial report for the fiscal year ended June 30, 2021 has met the requirements to be awarded GFOA's Certificate of Achievement for Excellence in Financial Reporting. The GFOA established the Certificate of Achievement for Excellence in Financial Reporting Program (Certificate Program) in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare annual comprehensive financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting. Congratulations, again, for having satisfied the high standards of the program.

Your electronic award packet contains the following:

- **A "Summary of Grading" form and a confidential list of comments and suggestions for possible improvements**. We strongly encourage you to implement the recommended improvements in your next report. Certificate of Achievement Program policy requires that written responses to these comments and suggestions for improvement be included with your 2022 fiscal year end submission. If a comment is unclear or there appears to be a discrepancy, please contact the Technical Services Center at (312) 977-9700 and ask to speak with a Certificate of Achievement Program in-house reviewer.
- **Certificate of Achievement**. A Certificate of Achievement is valid for a period of one year. A current holder of a Certificate of Achievement may reproduce the Certificate in its immediately subsequent annual comprehensive financial report. Please refer to the instructions for reproducing your Certificate in your next report.

RESULT LETTER

- **Award of Financial Reporting Achievement**. When GFOA awards a government the Certificate of Achievement for Excellence in Financial Reporting, we also present an Award of Financial Reporting Achievement (AFRA) to the department identified in the application as primarily responsible for achievement of the Certificate.
- **Sample press release**. Attaining this award is a significant accomplishment. Attached is a sample news release that you may use to give appropriate publicity to this notable achievement.

In addition, award recipients will receive via mail either a plaque (if first-time recipients or if the government has received the Certificate ten times since it received its last plaque) or a brass medallion to affix to the plaque (if the government currently has a plaque with space to affix the medallion). Plaques and medallions will be mailed separately.

As an award-winning government, we would like to invite one or more appropriate members of the team that put together your annual comprehensive financial report to apply to join the Special Review Committee. As members of the Special Review Committee, peer reviewers get exposure to a variety of reports from around the country; gain insight into how to improve their own reports; achieve professional recognition; and provide valuable input that helps other local governments improve their reports. Please see our website for eligibility requirements and information on completing an application.

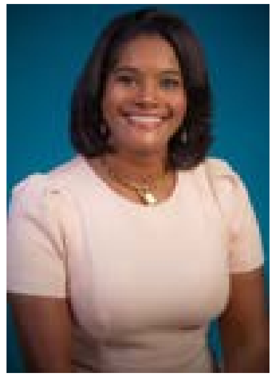
Thank you for participating in and supporting the Certificate of Achievement Program. If we may be of any further assistance, please contact the Technical Services Center at (312) 977-9700.

Sincerely,

Michele Mark Levine

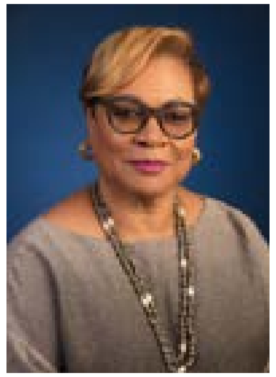
Michele Mark Levine
Director, Technical Services

BOARD OF DIRECTORS

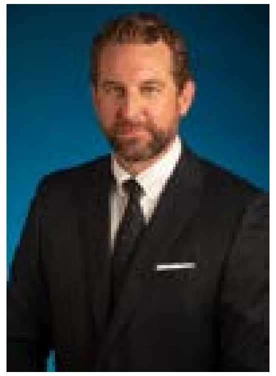


Darlene Wilson
BAA Chairperson
Relay Accounting Management

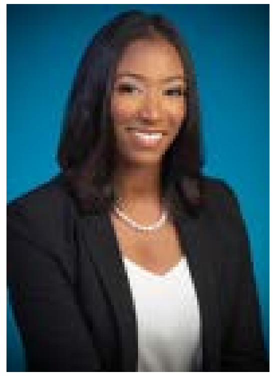
David Germany
BAA Vice Chairperson
Protective Life Corporation



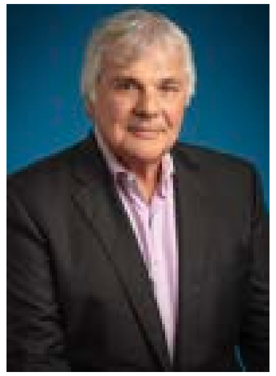
Bobbie Knight
BAA Treasurer
President of Miles College



R. Ashby Pate
BAA Secretary
Lightfoot, Franklin & White, LLC

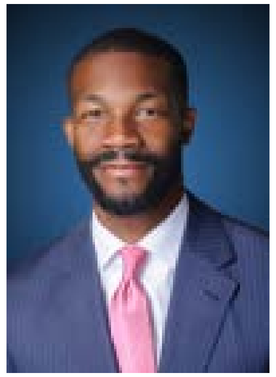


Jennifer Reid Edge
Huie, Ferambucq & Stewart LLP



Tommy Spina
Criminal Defense Lawyer

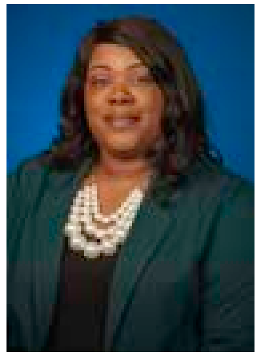
Bill Smith
Smith Ventures



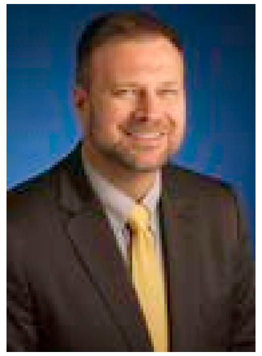
Mayor Randall Woodfin
City of Birmingham, AL

EXECUTIVE TEAM

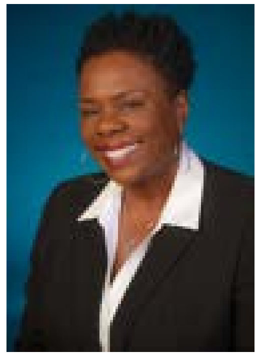
Ronald F. Mathieu, C.M.
President & CEO



Cathryn Smith
Executive Assistant and Board Administrator

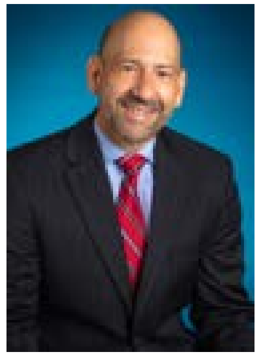


Jim Payne, C.M., A.C.E.
Chief Operating Officer



T.J. Williams
Vice President of Air Service Development

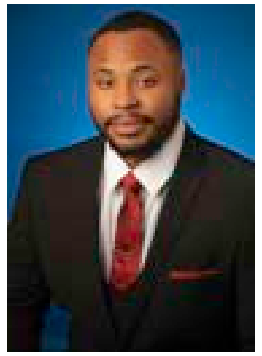
Korey L. Campbell, MBA
Vice President of Finance / Chief Financial Officer



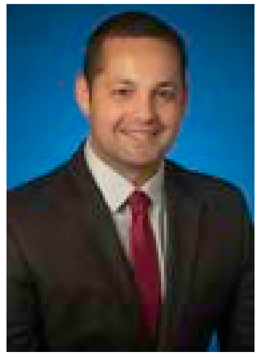
Ed Seoane, MBA, CPSM
Vice President of Purchasing

Matthew Nelson
Vice President of Facilities

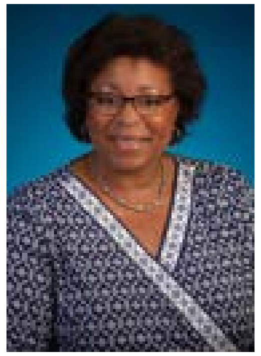
Paulette Maddox
Vice President of Human Resources



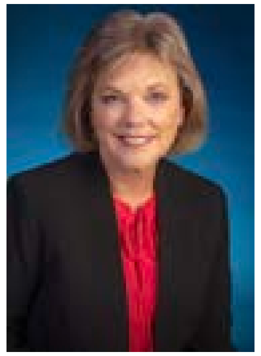
Cameron Thompson, A.C.E.
Vice President of Operations



Marcelo Lima, A.A.E.
Vice President of Planning and Development



Ingrid Hairston, A.A.E.
Vice President of Properties and Business Development



Kim Hunt, C.M.
Vice President of Communications

January 23, 2023

Board of Directors
Birmingham Airport Authority
5900 Messer Airport Highway
Birmingham, Alabama 35212

Birmingham Airport Authority

Ladies and Gentlemen:

It is our pleasure to present the Annual Comprehensive Financial Report ("ACFR") of the Birmingham Airport Authority ("the Authority") for the fiscal years ended June 30, 2022 and 2021. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with management of the Authority. To the best of our knowledge and belief, the enclosed information is accurate and complete in all material respects and reported in a manner designed to present fairly the financial position, results of operations, and cash flows in accordance with the Generally Accepted Accounting Principles ("GAAP").

GAAP requires that management provide a narrative overview and analysis to accompany the financial statements in the form of a Management's Discussion and Analysis ("MD&A"). This letter of transmittal should be read in conjunction with the MD&A, which can be found immediately following the report of the independent auditors in the financial section of the ACFR.

Organization

The Authority is an independent authority of the City of Birmingham ("the City") that was established in June 1986. Birmingham-Shuttlesworth International Airport ("the Airport") is operated by the Authority pursuant to a 50-year lease ("the City Lease"), which became effective on September 16, 1986 and expires on September 15, 2045. Under the terms of the City Lease, all real property acquired by the Authority is conveyed to the City and becomes subject to the terms and conditions of the City Lease. The Authority is governed by a seven-member Board of Directors ("the Board"). The Board appoints a President and CEO who is responsible for managing the overall operation of the Airport. Directors of the Board are nominated by the Mayor of the City and appointed by the City Council. Directors are appointed to staggered six-year terms. The Mayor is a non-voting ex officio director. The current members of the Board are Darlene Wilson (Chairperson), Bobbie Knight, David Germany, Ashby Pate, Bill Smith, Jennifer Edge, Tommy Spina, and Randall Woodfin (Mayor, Ex Officio Member).

The operations and improvements at the Airport are funded by airport user charges, Passenger Facility Charges, Customer Facility Charges, bond funds, and funds received from the Federal Aviation Administration ("FAA") and the Transportation Security Administration. No general tax fund revenues are used to operate or maintain the Airport. Mr. Ronald F. Mathieu, C.M., President and Chief Executive Officer, has overall responsibility for the management, administration, and planning of organizational activities for the Authority. Mr. Mathieu has an experienced staff to aid him in carrying out the responsibilities of the position.

LETTER OF TRANSMITTAL TO THE BOARD

The City Lease requires that the annual operating budget and the five-year capital improvement budget of the Authority be submitted to the Mayor of the City and the City Council for approval. The Authority maintains financial records in accordance with generally accepted accounting principles and practices and is subject to an independent audit at any time at the discretion of the City. On June 1, 1990, the City Lease was amended such that the Authority's financial obligation under the City Lease was subordinated to any pledge of the Authority of its revenues to secure any indebtedness.

Economic Conditions

The Birmingham-Hoover Metropolitan Statistical Area ("MSA") unemployment rate for June 2022 was 2.9%, compared to 4.0% in June 2021. The area's unemployment rate was slightly better than the 3.3% rate for the state of Alabama and the 3.6% rate for the entire United States. COVID-19 was declared a global pandemic near the end of the Airport's 2020 fiscal year and has affected the Airport. The greatest impact on air travel occurred in FY 2021 as passenger enplanements were 50% lower than in the prior year. Despite the dramatic decline, traffic nationally and locally has improved greatly. Through the first half of fiscal year 2023, passenger enplanements at the Airport were 91% of the enplanements through the first half of fiscal year 2019.

The primary service region for the Birmingham-Shuttlesworth International Airport, the MSA has a diverse economic base and is the principal center of finance, trade, health care, manufacturing, transportation, and education in the state of Alabama. The MSA includes the following six counties, ordered based on population size (largest to smallest): Jefferson, Shelby, St. Clair, Blount, Chilton, and Bibb. Jefferson County, which had an estimated population of approximately 668,000 in 2021, is the center of the MSA and covers 6,145 square miles. Birmingham, situated in the county seat, had an estimated population of nearly 198,000 according to the US Census Bureau.

With nearly 2.6 million passengers this past fiscal year, the Airport is Alabama's busiest commercial service airport. In FY 2022, the Airport was served by four major airlines providing travelers with 92 peak daily flights and nonstop service to 18 airports in 15 cities. In addition to these passenger carriers, the Airport is served by three all-cargo operators: Federal Express, Mountain Air, and United Parcel Service. The cargo enplaned and deplaned by these carriers, combined with the "belly" cargo transported by the passenger airlines, totaled more than 23,000 tons of cargo at the Airport in FY 2022. The Airport also receives significant activity from General Aviation aircraft. According to the FAA's Air Traffic Activity System, the Airport had close to 96,000 itinerant and local operations in FY 2022, with 44% of those operations categorized as general aviation activity. General aviation is a broad classification covering all aviation activity other than scheduled commercial service and military aviation. General aviation activity therefore covers a range that includes personal, business, training, and emergency service activity.

Major Initiatives and Development

The Authority's five-year Capital Improvement Plan (CIP) for fiscal years 2022 – 2026 has appropriation requirements of approximately $137.7 million dollars. This CIP was developed in conjunction with the latest master plan study and pavement management system recommendations. The improvements identified in this five-year CIP will be funded by FAA funds, including funds from the Bipartisan Infrastructure Law, and local airport funds. The Authority continually reviews its CIP to address changing economic and air traffic demands, operating conditions, and assessments of facility conditions.

LETTER OF TRANSMITTAL TO THE BOARD

In 2022, the Authority completed critical infrastructure projects to ensure the continuity of safe and efficient aviation activity. This includes the rehabilitation of Taxiway G, which had reached the end of its useful life, and the crack seal and seal coat of Runway 6/24 and Taxiway H that will extend the useful life of the critical pavement portions. These airfield improvements ensure continuous quality pavement conditions for airport users. Additionally, the Authority completed a terminal-wide seating replacement project that installed approximately 1,300 new terminal seats for passengers that improve comfort and provides cup holders and charging stations to each seat.

Moving forward, the Authority continues to seek development opportunities that will improve aviation safety and support economic growth. In 2023, the Authority will begin construction on a new air cargo facility to meet the growing cargo demand at BHM. The new facility will be approximately 53,000 square feet and cost nearly $25 million. Fiscal year 2023 will also include the commencement of the environmental assessment for the Airport Safety and Capacity Program (ASCP). The ASCP is a five-year-long program that will relocate Taxiway A and provide several pavement improvements and realignments to allow the Airport to better serve and support the increasing demand of passenger and air cargo commercial service operations.

Financial Information
Management's Discussion and Analysis (MD&A), starting on page 26, summarizes the Authority's Statements of Net Position and Statements of Revenues, Expenses, and Changes in Net Position and reviews the changes from fiscal year 2021 to fiscal 2022 and certain comparisons from fiscal year 2020 to 2021. The actual financial statements and related footnotes are presented on pages 40 to 81. The information contained in the MD&A should be considered in conjunction with the information contained in this report.

Internal Control Structure Framework
The financial statements of the Authority are prepared following U.S. generally accepted accounting principles applicable to governmental unit enterprise funds. This results in financial statements prepared on an accrual basis. Internal control is a process affected by an entity's governing board, management, and other personnel and designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) safeguarding of assets from loss from unauthorized use or disposition; (b) execution of transactions in accordance with management's authorization; (c) reliability of financial records for preparing financial statements and maintaining accountability for assets; (d) effectiveness and efficiency of operations; and (e) compliance with applicable laws and regulations, including contracts and grant agreements.

Internal controls, no matter how well designed and operated, can provide only reasonable assurance to management and the board regarding achievement of an entity's control objectives. The likelihood of achievement is affected by limitations inherent to internal control. Such limitations include:

- Human judgment in decision-making can be faulty;
- Breakdowns in internal controls can occur due to errors or mistakes;
- Controls can be circumvented by the collusion of two or more people or management override of internal controls;

LETTER OF TRANSMITTAL TO THE BOARD

- Costs of an entity's internal controls should not exceed the benefits that are expected to be derived; and
- Custom, culture and the corporate governance system inhibit irregularities by management, but they are not absolute deterrents.

All internal control evaluations occur within the above framework. We believe that the Authority's internal controls adequately meet the objectives listed above and have devoted considerable time this past year to attract and retain individuals in our Finance Department who embrace the concept of a healthy internal control environment.

Independent Audit
Our independent auditor, Banks, Finley, White & Co., audit the financial statements of the Authority on an annual basis. The financial section of this report includes the independent auditor's report on the basic financial statements.

The Authority is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act of 1984, the U.S. Office of Management and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200, "Audits of State and Local Governments." All schedules and reports required under these federal and state regulations are included in the compliance section of this report.

Award of Financial Reporting Achievement
Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Birmingham Airport Authority for its comprehensive annual financial report for the fiscal year ended June 30, 2021. This was the fifth consecutive year that the Authority has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

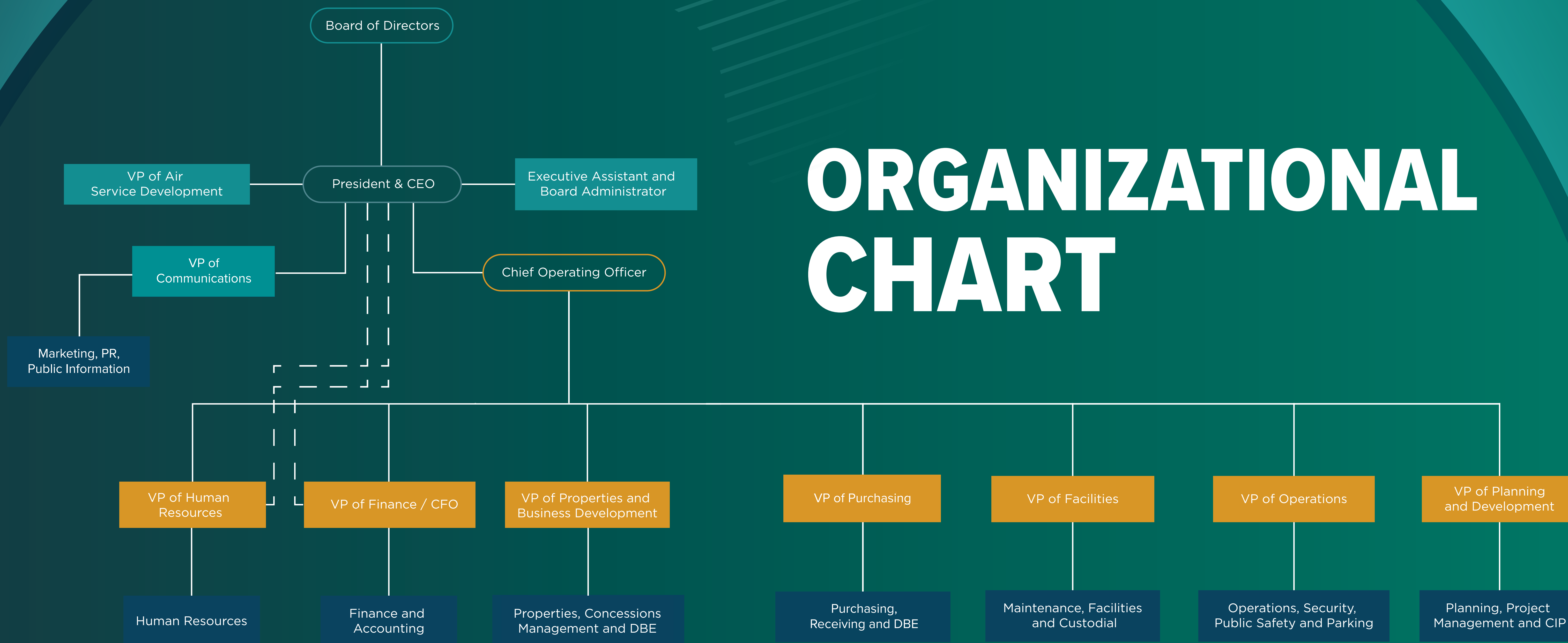
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and are submitting it to GFOA to determine its eligibility for another certificate.

Respectfully Submitted,

Ronald F. Mathieu
President and Chief Executive Officer

Korey Campbell
Chief Financial Officer

ORGANIZATIONAL CHART



MISSION

WHO WE ARE. WHAT WE DO.

To operate a safe, efficient, hospitable and state-of-the-art airport that promotes a healthy economy and environment.

VISION

WHAT WE ASPIRE TO BE.

To be a driving force of economic development for the region and a showcase for Southern hospitality.

FINANCIAL SECTION (UNAUDITED)

BANKS, FINLEY, WHITE & CO.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Birmingham Airport Authority
Birmingham, Alabama

Opinions

We have audited the accompanying financial statements of the business-type activities of the Birmingham Airport Authority ("the Authority") a component unit of the City of Birmingham, Alabama, as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority, as of June 30, 2022 and 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

617 THIRTY-SEVENTH STREET SOUTH • BIRMINGHAM, ALABAMA 35222 • (205) 326-6660

AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matters

Change in Accounting Principle

As discussed in Notes 2 and 18 to the financial statements, in 2022 the Authority adopted new accounting guidance, *GASBS No. 87, Leases*. Our opinion is not modified with respect to this matter.

To the Board of Directors of the
Birmingham Airport Authority
Page 3

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information schedules on pages 26–33 and 82–89 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The other information; the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; the schedule of passenger facility charges collected and expended as required by the Passenger Facility Charge Audit Guide for Public Agencies; and the introductory section, statistical section and sustainability section are presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards and schedule of passenger facility charges collected and expended are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of passenger facility charges collected and expended are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, statistical and sustainability sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

To the Board of Directors of the
Birmingham Airport Authority
Page 4

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Birmingham, Alabama
January 13, 2023

Banks, Finley, White & Co.

The following Management Discussion and Analysis (MD&A) of the Birmingham Airport Authority ("the Authority") presents a narrative overview of the financial activities of the Authority, which operates the Birmingham-Shuttlesworth International Airport ("the Airport"), for the fiscal years ended June 30, 2022, and 2021 with selected comparative information for the fiscal year ended June 30, 2020.

Following this MD&A are the basic financial statements of the Authority, the notes to the financial statements, and supplementary information. The report includes the following three basic financial statements: the statements of net position, the statements of revenues, expenses and changes in net position, and the statements of cash flows. The accompanying notes to the financial statements are essential to a full understanding of the data contained in the financial statements. The supplementary information is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

ENPLANEMENTS	TOTAL PASSENGERS	AIR CARRIER OPERATIONS	AIR CARRIER LANDING WEIGHT
72.5%	72.6%	31.1%	40.4%

ACTIVITIES AT THE AIRPORT DURING FISCAL YEAR 2022 INCREASE

Activities at the Airport during fiscal year 2022 increased by 72.5%, 72.6%, 31.1%, and 40.4% for Enplanements, Total Passengers, Passenger Air Carrier Operations, and Passenger Air Carrier Landing Weight in comparison to fiscal year 2021. During fiscal year 2021, Enplanements, Total Passengers, Passenger Air Carrier Operations, and Passenger Air Carrier Landing Weight all decreased in comparison to fiscal year 2020.

	2022	2021	2020
Enplanements % increase / (decrease)	1,289,296 72.5%	747,272 (33.2%)	1,119,455 (27.0%)
Total Passengers % increase / (decrease)	2,577,690 72.6%	1,493,167 (33.5%)	2,244,616 (26.8%)
Air Carrier Operations % increase / (decrease)	30,864 31.1%	23,540 (29.3%)	33,288 (19.5%)
Air Carrier Landing Weight % increase / (decrease)	1,494,718 40.4%	1,064,578 (28.4%)	1,487,485 (18.9%)

The decreases in fiscal years 2021 and 2020 can be attributed to the severe impact that the COVID-19 pandemic and resulting restrictions had on the aviation industry.

Four major passenger carriers, ten regional carriers, and three regularly scheduled all-cargo carriers served the Airport during the fiscal year. When compared to the two previous years, there is one fewer major carrier than in fiscal year 2020 and one fewer regional carrier than in fiscal years 2021 and 2020.

FINANCIAL OPERATIONS HIGHLIGHTS

Net position increased by $26.1 million in fiscal year 2022, compared to an increase of $27.8 million in 2021.

- Operating Revenues grew by 34.7% from $33.0 million in fiscal year 2021 to $44.5 million in fiscal year 2022, largely due to increases in parking and other concession revenue as passenger traffic recovered from the COVID-19 pandemic. Automobile parking increased by nearly $7.0 million while rental car, restaurant, retail, and other concession revenues grew by $3.1 million.
- Operating Revenues decreased by 19.7% from $41.1 million in fiscal year 2020 to $33.0 million in fiscal year 2021 due to declines in aviation and concession revenues. Aviation revenues decreased by 6.2% and concession revenues declined by 34.0%.
- Operating Expenses before depreciation and amortization increased by 4.2% from $22.4 million in fiscal year 2021 to $23.4 million in fiscal year 2022. The growth in expenses was largely driven by a 56.4% increase in Other Operating Expenses from $4.0 million to $6.3 million due to increases in building and facilities services. This increase was partially offset by a 17.4% decrease in Salaries and Benefits of $1.5 million.
- Operating Expenses before depreciation and amortization decreased by 30.9% from $32.4 million in fiscal year 2020 to $22.4 million in fiscal year 2021, primarily due to a decrease in Salaries and Benefits. Salaries and Benefits were $8.7 million lower due to the pension expense decreasing from $5.8 million in fiscal year 2020 to ($852) thousand in 2021.
- Net Non-Operating Revenues and Expenses increased from $8.3 million in fiscal year 2021 to $10.5 million in fiscal year 2022, an increase of 27.3%. The increase was mostly caused by growth in PFC and CFC revenue as passenger activity recovered. Also contributing to the increase was the lack of bond issuance costs this fiscal year.

- Net Non-Operating Revenues and Expenses grew from $1.8 million in fiscal year 2020 to $8.3 million in fiscal year 2021, mostly due to a $4.8 million increase in COVID-related grants from the FAA and a $4.6 million decrease in interest expense resulting from the 2020 bond refunding.
- Capital contributions in the form of grants received from the Federal government declined from $28.5 million in fiscal year 2021 to $11.9 million in fiscal year 2022 due to a lower volume of grant-eligible construction projects completed during the fiscal year.
- Capital contributions in the form of grants received from the Federal government increased from $7.5 million in fiscal year 2020 to $28.5 million in fiscal year 2021 due to work that was completed on grant-eligible projects.

SUMMARY OF OPERATIONS AND CHANGES IN NET POSITION

	2022	2021	2020
OPERATING REVENUES			
Aviation Revenues	17,835,735	16,397,963	17,489,109
Concession Revenues	22,152,856	12,698,687	19,226,592
Other Revenues	4,485,487	3,919,389	4,386,946
Total Operating Revenues	44,474,078	33,016,039	41,102,647
OPERATING EXPENSES			
Salaries and Benefits	7,061,838	8,544,770	17,261,949
Professional and Contracted Services	7,933,618	8,087,158	9,250,780
Other Operating Expenses	8,359,496	5,782,772	5,926,269
Total Operating Expenses Before Depreciation and Amortization	23,354,952	22,414,700	32,438,998
Depreciation and Amortization	17,450,371	19,597,391	18,006,437
Total Operating Expenses	40,805,323	42,012,091	50,445,435
Operating Gain (Loss) Before Non-Operating Revenues (Expenses)	3,668,755	(8,996,052)	(9,342,788)
Total Non-Operating Revenues (Expenses)	10,526,570	8,268,363	1,758,118
Gain (Loss) Before Capital Contributions from Federal Agencies	14,195,325	(727,689)	(7,584,670)
Capital Contributions from Federal Agencies	11,856,581	28,530,055	7,548,115
NET POSITION			
Increase (decrease) in Net Position	26,051,910	27,802,366	(36,555)
Total Net Position, Beginning of the Year	467,562,183	439,759,817	439,796,368
Total Net Position, End of the Year	$ 493,614,093	$ 467,562,183	$ 439,759,813

FINANCIAL POSITION SUMMARY

The statements of net position present the financial position of the Authority. The statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the Authority. A summary comparison of the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30, 2022, 2021, and 2020 is as follows:

ASSETS	2022	2021	2020
Capital Assets	530,448,138	537,884,721	537,197,193
Other Assets	153,972,860	92,172,978	90,367,794
Total Assets	**684,420,998**	**630,057,699**	**627,564,987**
Deferred Outflows of Resources	10,045,593	9,494,729	17,324,745
Total Assets and Deferred Outflows of Resources	**$ 694,466,591**	**$ 639,552,428**	**$ 644,889,732**

LIABILITIES	2022	2021	2020
Current Liabilities	12,004,795	8,616,893	8,536,271
Non-current Liabilities	140,651,964	134,641,399	189,972,356
Total Liabilities	152,656,759	143,258,292	198,508,627
Deferred Inflows of Resources	48,195,739	28,731,953	6,621,292

NET POSITION	2022	2021	2020
Net Investment in Capital Assets	459,100,655	421,175,955	388,862,507
Restricted	16,424,658	9,367,628	21,114,356
Unrestricted	18,088,780	37,018,600	29,782,950
Total Net Position	493,614,093	467,562,183	439,759,813
Total Liabilities, Deferred Inflows of Resources and Net Position	**$ 694,466,591**	**$ 639,552,428**	**$ 644,889,732**

The Authority's total assets increased by 8.6% in the fiscal year 2022 to $684.4 million, largely due to an increase in investments and lease receivables. Total assets in the fiscal year 2021 were largely unchanged when compared to fiscal 2020, increasing by less than 1.0%. Deferred outflows of resources grew by 5.8% in the fiscal year 2022 to $10.0 million from $9.5 million in the fiscal year 2021 because of an increase in the deferred outflows related to pension. Deferred outflows of resources were 45.2%, or $7.8 million lower in the fiscal year 2021 than in 2020 because of a 50.0% decrease in deferred outflows related to pension.

Total liabilities increased by $9.4 million from the fiscal year 2021 to $152.7 million as of June 30, 2022. The change was caused mostly by an $8.7 million increase in net pension liability. From the fiscal year 2020 to 2021, total liabilities declined by $55.3 million to $143.3 million. The 27.8% decline was caused by a $22.9 million reduction in revenue bonds payable and a $32.8 million lower net pension liability.

Deferred inflows of resources grew by 67.7% to $48.2 million in the fiscal year 2022 because of the implementation of GASB 87 and the recognition of $30.4 million in the deferred inflows of resources related to leases. From the fiscal year 2020 to 2021, deferred inflows of resources expanded by 333.9% to $28.7 million because of a $22.2 million increase in deferred inflows of resources related to pension.

Net Position over time is an indicator of the Authority's financial position. The Authority's net position exceeded liabilities by $493.6 million on June 30, 2022. This represents a $26.1 million increase from June 30, 2021, compared to a $27.8 million increase from June 30, 2020 to 2021. The components of net position include net investment in capital assets, restricted funds used for debt service, federal grants and programs, and unrestricted funds. Net investment in capital assets increased by 9.0% and 8.3% to $459.1 million and $421.2 million in fiscal years 2022 and 2021, respectively. Restricted net position improved to $16.4 million in fiscal year 2022, which was a $7.1 million increase compared to the $11.7 million decrease to $9.4 million that ended the 2021 fiscal year. Unrestricted net position declined by $18.9 million in the current fiscal year compared to a $7.3 million increase from fiscal year 2020 to 2021.

The largest portion of the Authority's net position is its investment in capital assets (e.g., land, buildings, infrastructure improvements, and equipment), less the amount of related debt outstanding. The Authority uses these capital assets to provide services to its passengers, tenants, and business partners; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations.

An additional portion of the Authority's net position represents bond reserve funds, passenger and customer facility charges, federal grant contributions, and other assets that are subject to various restrictions and federal regulations. The remaining unrestricted net assets may be used to meet any of the Authority's ongoing obligations.

AIRLINE RATES AND CHARGES

Effective August 15, 2016, the Authority entered into a new five-year agreement with each of the four major airlines serving Birmingham. Under the terms of the agreement, the airlines were charged residual landing fee rates for the airfield and compensatory rates for the terminal building, reduced by a 35% to 50% non-airline terminal building revenue credit, depending on the Capital Improvement Fund balance. The agreement included an end-of-term option that allowed for a renewal of an additional five years.

The Authority and the airlines mutually agreed to allow that agreement to expire on June 30, 2021. The expired agreement remained in holdover status on a month-to-month basis until the end of fiscal year 2022. The Authority and the airlines entered into a new airline agreement that became effective on July 1, 2022 and expires on June 30, 2025. The material changes of the new agreement include the following:

a. Elimination of signatory and non-signatory airlines. All airlines pay the same rates for landing fees and terminal usage.
b. Elimination of revenue sharing.
c. Recovery of amortization costs for capital projects.
d. Joint use calculation is based on enplanements and joint use space has been expanded to include TSA passenger screening and CBRA areas.
e. Revised the cost centers and allocation process.
f. Airport may issue a credit to lower airline costs at the discretion of CEO.
g. Security deposits are required.
h. Updated the maintenance responsibility matrix.

The airline cost per enplaned passenger represents the cost of an airline to operate at an airport. It is calculated by adding the airport charges paid by the airlines during a fiscal year and dividing that sum by the number of passengers enplaned during the twelve-month period.

	2022	2021	2020
Terminal Building Charges	$ 8,171,771	$ 7,719,186	$ 8,032,923
Aircraft Parking Charges	721,402	539,713	775,873
Landing Fees	7,567,180	6,841,777	7,785,308
Total Airline Charges	$ 16,460,353	$ 15,100,677	$ 16,594,104
Enplanements	1,289,296	747,272	1,119,455
Airline Cost per Enplaned Passenger	$ 12.77	$ 20.21	$ 14.82

SUMMARY OF CASH FLOW ACTIVITIES

The following shows a summary of the major sources and uses of cash and cash equivalents for the past three years. Cash and cash equivalents are considered cash on hand, bank deposits, and highly liquid investments with an original maturity of three months or less:

	2022	2021	2020
Cash Flows from Operating Activities	$ 21,672,386	$ 11,352,044	$ 15,744,509
Cash Flows from Noncapital Financing Activities	$ 5,594,884	$ 7,147,198	$ 2,374,536
Cash Flows from (used for) Capital and Related Financing Activities	$ 4,889,058	($ 21,970,029)	($ 49,427,302)
Cash Flows from Investing Activities	($ 32,630,677)	($ 19,205,170)	$ 31,460,553
Net Increase (Decrease) in Cash and Cash Equivalents	($ 474,349)	($ 22,675,957)	$ 152,296
Cash and Cash Equivalents			
Beginning of the Year	$ 55,346,564	$ 78,022,521	$ 77,726,431
End of the Year	$ 54,872,215	$ 55,346,564	$ 77,878,727

The Authority saw a net decrease of $474 thousand in cash and cash equivalents in fiscal year 2022. This was a $22.2 million improvement when compared to fiscal year 2021. In fiscal year 2021, there was a $22.7 million decrease in cash and cash equivalents, which was a $22.8 decline from the $152 thousand increase experienced in fiscal year 2020. At the end of fiscal year 2022, cash and cash equivalents was $54.9 million, compared to $55.3 million in fiscal year 2021 and $77.9 million in fiscal year 2020.

FINANCIAL STATEMENTS

The Authority's financial statements are prepared on an accrual basis in accordance with U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The Authority is structured as a proprietary fund with revenues recognized when earned and expenses are recognized when incurred. Capital assets are capitalized and (except land and construction in progress) are depreciated over their useful lives. Amounts are restricted for debt service and, where applicable, for construction activities. See the Notes to the Financial Statements for a summary of the Authority's significant accounting policies.

CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES

During fiscal year 2022, the Authority expended $11.9 million on capital activities. Most of these expenditures were for the Taxiway G Rehabilitation ($3.0 million), Terminal Seating Replacement ($2.2 million), completion of the ARFF Building ($1.6 million), and the Airport Beautification Project ($1.3 million). The Airport Beautification Project was a series of smaller projects that were done in preparation of World Games 2022, which were held in the Birmingham metropolitan area between July 7 – 17, 2022. This project included electrical and lighting upgrades, signage improvements, and interior and exterior enhancements to the terminal building, parking garage, and airport access roadways. Please refer to the Notes to the Financial Statements, Note 6 "Changes in Capital Assets," for more information related to the Authority's capital acquisitions and construction activities.

LONG-TERM DEBT OUTSTANDING

On July 9, 2020, the Authority issued the Birmingham Airport Authority Airport Revenue Refunding Bonds, Series 2020. The bonds consisted of a principal amount of $102,130,000 and a premium of $19,959,828, for a total of $122,089,828. The Series 2020 Bonds were issued to provide funds to refund the Authority's Series 2010 Bonds outstanding in the principal amount of $138,590,000. Other sources of funds used to refund the Series 2010 bonds included $19,151,475 from debt service reserve and other reserve funds.

The Series 2020 Bonds mature no later than July 1, 2040, and require semi-annual interest payments on January 1 and July 1, beginning January 1, 2021, at rates ranging between 4 and 5 percent. Principal payments on the Series 2020 Bonds are due annually beginning July 1, 2023.

The Series 2020 net bond proceeds of $139,386,888 (after payment of $1,853,034 in issuance cost) were deposited into the refunding escrow fund with Synovus Bank to refund the Series 2010 bonds.

Please refer to the Notes to the Financial Statements, Note 9 "Revenue Bonds Payable," for more information related to the Authority's long-term debt outstanding.

The underlying ratings of the Airport's obligations for fiscal year 2022:

AS OF JUNE 30, 2022

A-	A3
Fitch's Bond Rating	*Moody's Bond Rating*

PASSENGER FACILITY CHARGE (PFC)

The Authority initially received approval from the FAA to impose a PFC of $3.00 per enplaned passenger beginning August 1, 1997, not to exceed $7,657,558, primarily to finance the rehabilitation of the main runway. Subsequently, the Authority requested and received approval to increase the charge per enplanement to $4.50, and to increase the total collection amount to $215,544,765. The Authority has used PFCs to finish the rehabilitation of the main runway, to pay for the rehabilitation of the air carrier apron, to relocate a sanitary sewer lift station, to remove obstructions from beyond the end of the main runway, and to design, construct, and finance a terminal modernization program. The Authority's remaining authorization for the use of PFC is to pay a portion of the debt service on the Series 2020 Bonds, which were issued to refund the Series 2010 Bonds. The collection period is scheduled to end on July 1, 2031. Through June 30, 2021, the Authority has collected PFCs, including interest earnings thereon, totaling $119,735,166. For further details related to the current year's activity, see the Schedule of Passenger Facility Charges in the Compliance Section of this report.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those interested. Questions concerning any of the information provided in this report or request for additional information should be addressed in writing to the Vice President of Finance / CFO, Birmingham Airport Authority, 5900 Messer Airport Highway, Birmingham, Alabama 35212, or call 205-595-0533.

STATEMENTS OF NET POSITION
Fiscal Years Ended June 30, 2022 and 2021

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2022	2021
CURRENT ASSETS		
UNRESTRICTED ASSETS:		
Cash and Cash Equivalents	36,913,811	39,682,286
Investments	34,697,642	51,682
Grants Receivable	1,745,083	2,452,625
Accounts Receivable (net of allowance for uncollectibles of $78,340 and $65,071 in 2022 and 2021, respectively)	1,441,004	1,795,690
Lease Receivable, Current	7,394,970	-
Prepaid Expenses	627,694	633,023
Inventory	261,505	275,883
Total Unrestricted Assets	83,081,709	44,891,189
RESTRICTED ASSETS:		
Passenger Facility Charges Funds:		
Cash and Cash Equivalents	6,156,443	6,003,109
Accounts Receivable	454,048	459,031
Customer Facility Charges Funds:		
Cash and Cash Equivalents	4,114,236	1,539,380
Accounts Receivable	343,257	397,226
Revenue Bond Reserve Funds:		
Cash and Cash Equivalents	7,687,725	8,121,789
Total Restricted Assets	18,755,709	16,520,535
Total Current Assets	101,837,418	61,411,724
NON-CURRENT ASSETS		
Unrestricted Investments	22,247,360	30,157,050
Restricted Investments	5,490,000	-
Lease Receivable, Non-Current	23,808,487	-
Lease Right-of-Use Assets, Net of Accumulated Amortization	39,945	-
Prepaid Expenses	549,650	604,204
Capital Assets, Net of Accumulated Depreciation	530,448,138	537,884,721
Total Non-Current Assets	582,583,580	568,645,975
Total Assets	684,420,998	630,057,699
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Refunding	265,632	531,260
Deferred Outflow of Resources Related to Pension	9,438,328	8,603,028
Deferred Outflow of Resources Related to OPEB	341,633	360,441
Total Deferred Outflows of Resources	10,045,593	9,494,729
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 694,466,591	$ 639,552,428

STATEMENTS OF NET POSITION
Fiscal Years Ended June 30, 2022 and 2021

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	2022	2021
CURRENT LIABILITIES		
Payable From Unrestricted Assets:		
Accounts Payable and Accrued Expenses	$ 6,734,859	$ 4,979,586
Deferred Revenue	457,055	224,876
Advances and Deposits	61,418	70,850
Lease Liabilities, Current	13,621	-
Total Payable from Unrestricted Assets	7,266,953	5,275,312
Payable From Restricted Assets:		
Construction Contracts Payable	2,354,592	1,011,292
Accrued Interest Payable	2,383,250	2,330,289
Total Payable from Restricted Assets	4,737,842	3,341,581
Total Current Liabilities	12,004,795	8,616,893
NON-CURRENT LIABILITIES		
Compensated Employee Absences	582,809	536,112
Revenue Bonds Payable, Net of Unamortized Bond Premium	120,844,315	122,701,750
Net Pension Liability	19,772,699	11,041,421
Net OPEB Liability	(575,090)	362,116
Lease Liabilities, Non-Current	27,231	-
Total Non-Current Liabilities	140,651,964	134,641,399
Total Liabilities	152,656,759	143,258,292
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflow of Resources Related to Pension	16,807,180	28,361,907
Deferred Inflow of Resources Related to OPEB	987,147	370,046
Deferred Inflow of Resources Related to Leases	30,401,412	-
Total Deferred Inflows of Resources	48,195,739	28,731,953
NET POSITION		
Net Investment in Capital Assets	459,100,655	421,175,955
Restricted:		
For Debt Service	5,304,475	55,637
Federal Grants and Programs	11,120,183	9,311,991
Total Restricted	16,424,658	9,367,628
Unrestricted	18,088,780	37,018,600
Total Net Position	493,614,093	467,562,183
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$694,466,591	$639,552,428

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

For the years ended June 30, 2022 and 2021

OPERATING REVENUES	2022	2021
Aviation Revenues	17,835,735	16,397,963
Concession Revenues	22,152,856	12,698,687
Airport Rentals	3,002,030	2,752,883
Aviation Services	996,365	769,061
Miscellaneous Revenues	487,092	397,445
Total Operating Revenues	44,474,078	33,016,039
OPERATING EXPENSES		
Salaries and Benefits	7,061,838	8,544,770
Professional and Contracted Services	7,933,618	8,087,158
Materials, Supplies and Maintenance	2,035,599	1,739,358
Other Operating Expenses	6,323,897	4,043,414
Total Operating Expenses Before Depreciation and Amortization	23,354,952	22,414,700
Depreciation and Amortization	17,450,371	19,597,391
Total Operating Expenses	40,805,323	42,012,091
Operating Gain (Loss) Before Non-Operating Revenues (expenses)	3,668,755	(8,996,052)
NON-OPERATING REVENUES (EXPENSES)		
Federal grants - ARPA, CARES and CRRSAA	5,594,884	7,147,198
Passenger Facility Charges	5,141,308	3,175,906
Customer Facility Charges	3,855,981	2,989,088
Interest Income	1,875,600	271,625
Interest Expense	(5,085,440)	(4,142,760)
Insurance Settlement	51,903	(27,667)
Gain on Disposal of Capital Assets	21,605	171,464
Bond Issuance Cost	-	(1,268,183)
Net Increase (Decrease) in the Fair Value of Investments	(929,271)	(48,308)
Total Non-Operating Revenues (Expenses)	10,526,570	8,268,363
Gain (Loss) Before Capital Contributions from Federal Agencies	14,195,325	(727,689)
Capital Contributions from Federal Agencies	11,856,581	28,530,055
NET POSITION		
Increase (Decrease) in Net Position	26,051,910	27,802,366
Total Net Position, Beginning of the Year	467,562,183	439,759,817
Total Net Position, End of the Year	$493,614,093	$467,562,183

See Accompanying Notes to the Financial Statements.

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2022 and 2021

CASH FLOWS FROM OPERATING ACTIVITIES	2022	2021
Cash Received from Customers and Tenants	44,236,235	31,587,463
Cash Paid to Suppliers for Goods and Services	(13,351,606)	(10,785,881)
Cash Paid for Personnel Costs	(9,264,146)	(9,421,871)
Other Receipts from/(Payments for) Operating Activities	51,903	(27,667)
Net Cash Provided by Operating Activities	21,672,386	11,352,044
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Non-Capital Grants (ARPA, CARES, CRRSAA)	5,594,884	7,147,198
Net Cash Provided by Noncapital Financing Activities	5,594,884	7,147,198
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(11,836,213)	(19,782,361)
Disposal of Capital Assets	21,605	171,464
Receipts from Federal Grants, Passenger Facility Charges, and Customer Facility Charges	21,470,166	30,725,821
Interest Paid on Capital Debt	(4,766,500)	(6,653,627)
Principal Paid on Capital Debt	-	(1,645,000)
Line of Credit	-	(7,000,000)
Proceeds from Bonds Issuance	-	102,130,000
Retirement of Bonds	-	(138,590,000)
Premium from Sale of Bonds	-	19,959,828
Bond Issuance Costs	-	(1,286,154)
Net Cash from (used for) Capital and Related Financing Activities	4,889,058	(21,970,029)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received on Investments	273,584	271,625
(Purchases) Sales of Investments	(32,904,261)	(19,476,795)
Net Cash Provided by Investing Activities	(32,630,677)	(19,205,170)
Net (Decrease) Increase in Cash and Cash Equivalents	(474,349)	(22,675,957)
Cash and Cash Equivalents, Beginning of the Year	55,346,564	78,022,521
Cash and Cash Equivalents, End of the Year	54,872,215	55,346,564
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION ACCOUNTS		
Cash and Cash Equivalents - Unrestricted Assets	36,913,811	39,682,286
Cash and Cash Equivalents - Restricted Assets	17,958,404	15,664,278
Total Cash and Cash Equivalents	54,872,215	55,346,564

STATEMENTS OF CASH FLOWS
For the years ended June 30, 2022 and 2021

RECONCILIATION OF OPERATING GAIN/(LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES	2022	2021
Operating Gain/(Loss)	3,668,755	(8,996,052)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and Amortization	17,450,371	19,597,391
Bad Debt Expense	13,268	29,240
Other Receipts (Payments)	51,903	(27,667)
CHANGE IN ASSETS, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND LIABILITIES:		
Lease Receivables and Deferred Inflows	(802,048)	-
Lease Liabilities	40,852	-
Receivables (net)	341,444	(1,391,268)
Prepaid Expenses and Deferred Revenue	228,090	(58,039)
Inventory	14,378	5,753
Compensated Employee Absences	46,697	12,355
Accounts Payable and Accrued Expenses	1,755,273	4,039,128
Net Pension and OPEB Liability and Related Deferred Outflows/Inflows of Resources for Pension	(1,136,597)	(1,858,797)
Total Adjustments	18,003,631	20,348,096
Net Cash Flows from Operating Activities	$ 21,672,386	$ 11,352,044

NONCASH INVESTING AND FINANCING ACTIVITIES		
(Decrease) Increase in Fair Value of Investments	($ 929,271)	($ 48,308)
Amortization of Bond Discount	($ 1,902,600)	$ 593,954

See Accompanying Notes to the Financial Statements.

STATEMENTS OF FIDUCIARY NET POSITION - OPEB TRUST FUND
For the years ended June 30, 2022 and 2021

ASSETS:	2022	2021
Cash and Cash Equivalents	1,748,859	1,389,747
Total Assets	1,748,859	1,389,747
NET POSITION:		
Net Position held in Trust for OPEB Benefits	$ 1,748,859	$ 1,389,747

See Accompanying Notes to the Financial Statements.

STATEMENTS OF CHANGES IN NET POSITION - OPEB TRUST FUND
For the years ended June 30, 2022 and 2021

	2022	2021
Net Position held in Trust for OPEB Benefits, Beginning of the Year	$ 1,389,747	$ 1,393,895
Additions:		
Employer Contributions	382,465	4,874
Investment Income	2,986	1,422
Total Additions	385,451	6,296
Deductions:		
Benefit Payments, Including Refunds of Member Contributions	20,349	4,874
Administrative Expense	5,990	5,570
Total Deductions	26,339	10,444
Net (Decrease) Increase	359,112	(4,148)
Total Net Position held in Trust for OPEB Benefits, End of Year	$ 1,748,859	$ 1,389,747

See Accompanying Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: NATURE OF ORGANIZATION AND REPORTING ENTITY

Nature of Organization

The Birmingham Airport Authority ("the Authority") was incorporated on June 6, 1986, as a nonprofit corporation under the provisions of the Code of Alabama, Title 4, Chapter 3, Article 2. The Authority is governed by a seven (7) member Board of Directors, who are nominated by the Mayor and confirmed by the City Council of the City of Birmingham ("the City").

The City owns the Birmingham-Shuttlesworth International Airport (the "Airport"). Pursuant to a Lease Assignment and Operating Agreement ("Agreement") dated September 16, 1986, and amended October 1, 2009, the City transferred to the Authority custody, control, and management of the Airport for a term that currently expires September 15, 2045, subject to certain conditions contained in the Agreement. The Authority pays the sum of $10 as annual rent to the City during the term of the Agreement. As of June 30, 2022, the Authority was in compliance with the terms and conditions of the Agreement.

Reporting Entity

The Authority meets the criteria set forth in accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB) for inclusion as a component unit within the City's general purpose financial statements based on the City's responsibility for the appointment of the Authority members, and their approval of capital programs and certain debt issuances and the Authority's annual operating budget. As a component unit of the City, the Authority's financial statements are discretely presented on the City's general purpose financial statements. The accompanying financial statements present the financial position of the Authority only. The Authority does not have any component units and is not involved in any joint ventures.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounting policies of the Authority conform to accounting principles accepted in the United States of America applicable to state and local governmental agencies.

Basis of Presentation - Fund Accounting

The Authority uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Authority has two categories of funds: proprietary and fiduciary.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service. The Authority has no internal service funds.

The Authority is accounted for as a proprietary fund. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the Authority is that the cost (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the Authority under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Authority's own programs. The Authority's only trust fund is the other post-employment benefit (OPEB) plan fund established for the purpose of the Authority to meet its liability for the payment of the health and related benefits for its retired employees under long-established employee benefit plans.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus

The basic financial statements presented are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. The financial statements are presented in accordance with GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments, and related GASB pronouncements.

For proprietary funds, the statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the Authority finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds present a statement of changes in fiduciary net position, which reports additions to and deductions from custodial trust funds.

New Accounting Pronouncements

GASB issued Statement No. 87, Leases ("GASBS 87"). This Statement was issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments and increases the usefulness of governments' financial statements. Under this Statement, a lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASBS No. 87 are effective for fiscal years beginning after June 15, 2021 (fiscal year 2022). The Authority has implemented GASBS 87 this year. Additional details associated with GASBS 87 are described in Note 5 of the annual report.

GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period ("GASBS 89"). The Statement was issued in June 2018. The objective of this statement is to establish accounting requirements for interest costs incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5 and 22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre November 30, 1989, FASB, and AICPA Pronouncements, which are superseded by this Statement. This Statement requires interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business type activity or enterprise fund. The requirements of GASBS 89 are effective for periods beginning after December 15, 2020 (fiscal year 2022). The Authority has implemented GASBS 89 but does not currently have any interest expense that would be impacted by GASBS 89.

GASB issued Statement No. 92, Omnibus 2020 ("GASBS 92"). This Statement was issued January 2020 and is effective for reporting periods beginning after June 15, 2021. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. It establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, post-employment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The Authority has implemented GASBS No. 92 and there was no material impact to the Authority's financial statements.

GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements ("GASBS 96"). This Statement was issued in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines an

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset — an intangible asset — and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of GASBS 96 are effective for periods beginning after June 15, 2022 (fiscal year 2023). The Authority is currently evaluating the impact that GASBS No. 96 may have on its financial statements.

GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans ("GASBS 97"). The objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other post-employment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Paragraphs 4 and 5 are effective immediately and paragraphs 6 to 9 are effective for fiscal years beginning after June 15, 2021 (fiscal year 2022). All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021 (fiscal year 2022). The Authority has implemented GASBS No. 97 and there was no material impact to the Authority's financial statements.

In April 2022, the GASB issued Statement No. 99, "Omnibus 2022." The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023. The Authority has implemented the provisions of Statement No. 99 that are effective upon issuance in this annual report. The Authority is evaluating the effect of other provisions of Statement No. 99 not yet effective will have on the financial statements.

In June 2022, the GASB issued Statement No. 100, "Accounting Changes and Error Corrections – Amendment of GASB Statement No. 62." This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement are effective for financial statements for reporting period beginning after June 15, 2023. The Authority is evaluating the impact that adoption of this Statement will have on its financial statements.

In June 2022, the GASB issued Statement No. 101, "Compensated Absences." This Statement clarifies the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The requirements of this Statement are effective for financial statements for reporting periods beginning after December 15, 2023. The Authority is evaluating the impact that adoption of this Statement will have on its financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments

State statutes authorize the Authority to invest in U.S. government obligations or in bonds of the State of Alabama or in any county or municipality therein, or in certificates of deposit collaterally secured by a pledge of U.S. government obligations. Investments are accounted for in accordance with GASB Statement No. 72, Fair Value Measurement and Application, which requires that certain investments be recorded at fair value (e.g., quoted market prices).

Restricted Assets

Funds are set aside as restricted, and they are not available for current expenses when constraints placed on their use are legally enforceable due to either:

- Externally imposed requirements by creditors (such as through debt covenants), grantors, or contributors.
- Laws or regulations of other governments.

Designated Assets

The Authority's management designates funds for capital projects, debt service, and other specific commitments; these funds would otherwise be available for operations.

Inventory

Inventories include the following at June 30, 2022 and 2021:

	2022	2021
Baggage Handling System Parts	$ 166,463	$ 182,035
Jet Bridge Parts	95,042	93,848
Total	$ 261,505	$ 275,883

Inventory is valued at cost. The cost is determined on a first in, first out basis.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are recorded at historical cost or estimated historical cost, if actual amounts are unavailable, except for donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement, which are reported at acquisition value at the time of contribution. There were no such service concession arrangements during fiscal year 2022 and 2021. Depreciation has been provided over the estimated useful lives using the straight line method.

Estimated useful lives by asset category are as follows:

BUILDINGS	INFRASTRUCTURE IMPROVEMENTS	MACHINERY AND EQUIPMENT	FURNITURE AND FIXTURES
10-35 years	5-30 years	5-15 years	5-15 years

Cost of constructed fixed assets includes design and construction costs that accumulate until completion of the respective project. Interest incurred during capital asset construction periods is expensed in accordance with GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. No depreciation is provided on construction in progress until construction is complete and the asset is placed in service. When property and equipment are disposed of, the related cost and accumulated depreciation are removed from the accounts with any gains or losses on disposition being reflected in current operations. The Authority capitalizes all capital assets in excess of $5,000. Maintenance and repairs are expensed as incurred.

Deferred Outflows/Inflows of Resources

The statements of net position will sometimes report a separate section for deferred outflows of resources and/or deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and, therefore, not recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net position that applies to future periods and, therefore, not recognized as an inflow of resources (revenue) until then.

Airport Improvement Program

Certain expenditures for airport capital improvements are significantly funded through the Airport Improvement Program (AIP) of the Federal Aviation Administration ("the FAA"), with 10% of project expenditures provided by the Authority. Funding provided under government grants is considered earned as the related allowable expenditures are incurred.

Transportation Security Administration Grant

Certain expenditures for airport capital improvements are funded through a Transportation Security Administration ("TSA") grant program, with 0% to 10% provided by the Authority. Funding provided under government grants is considered earned as the related allowable expenditures are incurred.

CARES, CRRSAA and ARPA Grants

On April 29, 2020, and March 11, 2021, the Authority received grant awards for funding under the Coronavirus Aid, Relief and Economic Security Act and the Coronavirus Response and Relief Supplemental Appropriation Act, respectively. Funding provided under these acts is provided to help offset declining revenues arising from diminished airport operations and activities because of the COVID-19 Public Health Emergency. Funding provided for the Authority's operational and maintenance expenses are presented in non-operating revenues. Funding provided for the Authority's debt service and debt repayment are presented in capital contributions. On March 11, 2021, the American Rescue Plan Act of 2021 (H.R. 1319, PL 117-2) was signed into law, which authorized the FAA to award $13,532,558, of which $1,298,815 was for concession relief and $12,233,743 for the Airport's primary, cargo entitlement and enplanement allocation.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Passenger Facilities Charges (PFC)

The Authority is authorized to impose a Passenger Facility Charge ("PFC") on enplaning passengers. The PFC can be collected until the date on which the total PFC revenue collected, plus interest thereon, equals the allowable cost of the approved projects, which is $215,544,765. The collection period ends on July 1, 2031. The PFC funds are available for authorized construction projects and debt service under an approved FAA application. PFCs, along with related interest earnings, are recorded as non-operating revenue when earned.

Customer Facility Charge (CFC)

On November 19, 2012, the Authority's Board of Directors adopted a resolution authorizing Rental Car Agencies operating at the Birmingham-Shuttlesworth International Airport (the "Airport") to impose a Customer Facility Charge ("CFC"). The resolution was amended August 18, 2020, and again on January 19, 2021. The purpose of the CFC is to provide funding for a Quick Turn Around Facility to house all rental car companies. Effective January 1, 2013, companies that operate under a Rental Car Concession Agreement at the Airport began assessing each customer an initial CFC of $5.00 per transaction day. The total amounts collected are reported and remitted monthly to the Authority by the rental car companies.

The Authority is authorized to pledge the CFCs collected, by resolution or trust indenture, to pay the costs and expenses of purchasing property, financing, designing, constructing, operating, relocating, and maintaining the Quick Turn Around Facilities. On March 22, 2019, the Authority entered into an agreement with BBVA Compass to borrow a sum not to exceed $10,000,000 and drew down $7,000,000 in 2019. The Authority made monthly interest payments until the debt was paid in full on June 18, 2021.

CFCs are segregated from all other funds and assets of the Authority. The total amount collected net of borrowings, expenses, and interest earned, was $4,114,236 and $1,539,380 as of June 30, 2022, and 2021, respectively. A certain portion of the CFCs have been set aside as reserve CFC funds based on mutual agreement between the Authority and the rental car companies.

Revenue Classifications

Revenue is recognized when earned. The Authority will classify revenues as operating or non-operating based on the following criteria:

Operating revenues are from the revenue sources that constitute the principal ongoing activity of the operations of the Airport. The major components of operating revenue consists of aviation revenue, concession revenue, airport rentals, aviation services, and other miscellaneous fees and charges. Landing fees and terminal building rates are charged on the basis of recovery of actual costs for operating and maintaining the Airport airfield and terminal areas.

Non-operating revenues are from revenue sources related to financing activities and other activities which do not constitute the principal ongoing activities of the Authority's operations.

Expense Classifications

The Authority will classify expenses as operating or non-operating based on the following criteria:

Operating expenses relate to the principal ongoing activities of the operations of the Airport. The major components of operating expenses consist of personnel costs, professional contractual services, materials, supplies and maintenance, utilities, repairs, and other services, deprication, and amortization.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-operating expenses relate to financing activities and other activities which do not constitute the principal ongoing activities of the Authority's operations. The primary non-operating expense is interest.

Federal Grants

When a grant agreement is approved and all eligibility requirements have been met, the expenditures are recorded as a federal grant receivable and as a capital grant contribution.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Authority considers cash on hand, bank deposits, and highly liquid investments with an original maturity of three months or less to be cash and cash equivalents.

Receivables

Accounts Receivables are reported at their gross value when earned and are reduced by the estimated portion that is expected to be uncollectible. The allowance for uncollectible amounts is based on collection history, and current information regarding the creditworthiness of the tenants and others doing business with the Authority. When continued collection activity results in receipt of amounts previously written off, revenue is recognized for the amount collected.

Bonds Payable, Bond Issue Costs, Original Issue Discount, and Deferred Loss on Bond Refunding

Bonds payable are recorded at the principal amount outstanding, net of any applicable premium or discount.

Bonds outstanding, which have been refunded and economically defeased, are not included in long-term debt. The related assets are not included in investments. Any loss on refunding, which is the difference between the reacquisition price and the net carrying amount on the old debt, is recognized as deferred outflow of resources and amortized as a component of interest expense over the shorter of either 1) the original life of the refunded debt or 2) the life of the refunding debt. Bond issue costs, original issue discount, and deferred loss on refunding on long-term indebtedness are deferred and amortized using the effective interest method over the life of the debt to which it relates.

Compensated Absences

The Authority's employees earn vacation leave at graduated rates based on their length of service (one day per month of service initially), and up to forty days of unused leave may be carried over to the following year. Sick leave is earned at the rate of eight hours for each month of service and can accumulate up to sixty days. The Authority funds sick leave as taken.

Accruals are recorded for accumulated unpaid vacation, longevity pay, and executive deferred compensation. As of June 30, 2022, and 2021, these accruals totaled $677,209 and $585,412, respectively.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Arbitrage Rebate

The U.S. Treasury has issued regulations on calculating the rebate due the Federal government on arbitrage profits, calculating arbitrage penalties, and determining compliance with the arbitrage rebate provisions of the Tax Reform Act of 1986. Arbitrage profits arise when the Authority temporarily invests the proceeds of tax-exempt debt in securities with higher yields. For the years ended June 30, 2022, and 2021, the Authority had no arbitrage rebate liability.

Retention Payable

The Authority enters into construction contracts that may include retention provisions such that a certain percentage of the contract amount is held for payment until completion of the contract and acceptance by the Authority. The Authority's policy is to record retention payable as contracted work is completed and accepted. Retention payable is included in construction contracts payable on the accompanying statements of net position.

Components of Net Position

The Authority's net position classifications are as follows:

NET INVESTMENT IN CAPITAL ASSETS – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at yearend, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

RESTRICTED NET POSITION – This component of net position represents restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law or through constitutional provisions or enabling legislation.

UNRESTRICTED NET POSITION – This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

Net Position Flow Assumption

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts reported as restricted net position and unrestricted net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Reclassifications

As of fiscal year 2022, the Authority has revised its reporting categories for operating revenues to provide more useful information to investors and stakeholders. Additionally, the portion of CARES, CRRSAA, Airport Rescue Grants that were used to reimburse operating costs were previously classified as operating expenses. They have been reclassified as non-operating revenues. These revisions have been made retrospectively, and prior financial statements have been restated to conform to the new classification. The changes have no impact on the reported net position.

NOTE 3: CASH AND CASH EQUIVALENTS AND INVESTMENTS

It is the Authority's policy to invest only in obligations of the U.S. Treasury, U.S. Government Agencies, State of Alabama obligations, and short-term bank certificates of deposit.

The Authority's cash and cash equivalents and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits (in excess of FDIC insurance) may not be returned to it. The carrying amount of the Authority's deposits, certificates of deposits, and cash on hand was $36,560,600 and $39,327,600 and the related bank balance was $36,559,000 and $39,326,000 at June 30, 2022 and 2021, respectively. The Authority also had restricted cash deposited with a trustee, with a carrying and bank balance amount of $23,448,405 and $10,073,912 at June 30, 2022 and 2021, respectively.

The Authority's deposit policy for custodial credit risk limits deposits to financial institutions that are members of the Alabama State Treasury's Security for Alabama Funds Enhancement ("SAFE") Program. Under the SAFE program, the Authority's funds are protected through a collateral pool administered by the Alabama State Treasury. Banks doing business within the State of Alabama and holding deposits of public funds belonging to the state, counties, cities, or agencies of state and local governments must pledge securities to the SAFE program pool, which are held as collateral against these deposits. In the event of the failure of a bank, securities pledged by that bank would be liquidated by the State Treasurer to replace the public deposits. If the securities pledged failed to produce adequate funds for that purpose, every bank participating in the pool would share the liability for the remaining balance.

Credit Risk

Credit risk is the possibility that the issuer/counterparty to an investment will be unable to fulfill its obligations. Unrestricted investments in U.S. Government T-Notes and U.S. Treasury Bills had a fair market value of $67,665,003 and $35,944,732 as of June 30, 2022, and 2021, respectively. U.S. Government obligations are not considered to have credit risk and do not require disclosure of credit quality.

Concentration of Credit Risk

Concentration of credit risk is the inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party caused by a lack of diversification (investments acquired from a single issuer). The Authority's cash deposits are held in several financial institutions and are fully insured by the Federal Deposit Insurance Corporation (FDIC), the U.S. Government, and the SAFE Program.

The Authority's investment policy limits its investments by security type and institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the Authority's total investment portfolio will be invested in a single security type or with a single financial institution.

Interest Rate Risk

Interest rate risk is the possibility that an interest rate change could adversely affect an investment's fair value.

NOTE 3: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

INVESTMENT MATURITIES AT FAIR VALUE (IN YEARS)					TOTALS 6/30/2022	TOTALS 6/30/2021
Type of Investment	Less Than 1	1-5	6-10	More Than 10	Totals	Totals
U.S. Treasury Bills	$ -	$ -	$ -	$ -	$ -	$ -
U.S. Government T-Notes	34,697,642	22,247,360	-	-	56,945,002	30,208,732
U.S. Treasury/SLGS Agency Securities	5,230,000	5,490,000	-	-	10,720,001	5,736,000
Total Investment	$ 39,927,642	$ 27,737,360	$ -	$ -	$ 67,665,003	$ 35,944,732

The Authority's investment policy is to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Authority will not directly invest in securities maturing more than three years from the date of purchase. However, unrestricted investments, the Revenue Bond Reserve Funds, and Construction Bond Funds may be invested in securities exceeding three years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

NOTE 4: FAIR VALUE MEASUREMENTS AND FINANCIAL INSTRUMENTS REPORTED AT FAIR VALUE

The Authority categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure fair value of the asset. Level 1 inputs consist of quoted market prices in active markets for identical assets; Level 2 inputs consist of significant other observable inputs; Level 3 inputs consist of significant unobservable inputs. Certain items required to be reported at their net asset value (NAV) are not subject to level disclosure.

INVESTMENT MATURITIES AT FAIR VALUE (IN YEARS)				TOTALS 6/30/2022	TOTALS 6/30/2021
Type of Investment	Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Totals	Totals
U.S. Treasury Bills	$ 56,945,002	$ -	$ -	$ 56,945,002	$ -
U.S. Government T-Notes	-	-	-	-	$ 30,208,732
U.S. Treasury/SLGS Agency Securities	$ 10,720,001	-	-	$ 10,720,001	$ 5,736,000
Total Investments	$ 67,665,003	$ -	$ -	$ 67,665,003	$ 35,944,732

NOTE 4: FAIR VALUE MEASUREMENTS AND FINANCIAL INSTRUMENTS REPORTED AT FAIR VALUE (CONTINUED)

Security Valuation Disclosure

Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 & 3 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Pricing source: ICE Interactive Data.

The fair value presented herein is based on pertinent information available to management as of June 30, 2022 and 2021. Although management is not aware of any factors that would significantly affect fair value amounts, future events, or other valuation techniques for determining fair value may differ significantly from the amounts presented herein.

NOTE 5: LEASES

LEASE ARRANGEMENTS WITH THE AUTHORITY AS THE LESSOR

The Authority is the lessor of terminal space, land, hangars, and buildings at the Airport to air carriers and other tenants under various operating leases for periods through 2032. Some of the leases, in addition to non-cancellable amounts at fixed rates, provide for additional payments based on usage or activity. For purposes of GASBS No. 87 implementation, the Authority's leases have been classified as:

1. Subject to GASBS No. 87 – Non-Regulated Leases
2. Not Subject to GASBS No. 87 – Short-Term Leases and Regulated Leases

Leases Subject to GASBS No. 87

In accordance with GASBS No. 87, the Authority recognizes a lease receivable and a deferred inflow of resources for leases subject to GASBS No. 87. For these leases, the Authority is reporting Lease Receivable of $31.2 million for the fiscal year ended June 30, 2022. The Authority also reported lease revenue of $8.8 million and interest revenue of $1.6 million related to lease payments received.

The leases managed by the Authority do not have an implicit rate of return; therefore, the Authority has used their incremental borrowing rate of 4.75% to discount the lease revenue to the net present value.

The Leases Subject to GASBS No. 87 are summarized below.

Non-Regulated Leases

Concessions

The Authority leases concession space throughout the terminal for food and beverage, and retail goods. The terms of these leases range from 7 to 8 years. The concession leases include a Minimum Annual Guarantee (MAG) and a variable revenue component based on a percentage of gross sales.

Rental Cars

The Authority leases land, office, and counter space, and ready return parking spaces to the rental car companies for a term of 5 years. During the first year of the agreement the tenant is required to pay concession fees equal to 10% of gross revenues. Beginning in year two, the agreement includes a Minimum Annual Guarantee (MAG) and a variable revenue component based on a percentage of gross sales.

Building

The Authority leases office space in Building 9 (also known as the Outparcel Building) to the TSA and the FAA. The terms of these agreements include a fixed revenue component based on square footage. The length of these agreements are 5 and 10 years.

NOTE 5: LEASES (CONTINUED)

The future minimum lease receipts for the next five fiscal years and then each five-year increment are as follows:

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
July 1, 2022 - June 30, 2023	7,365,817	1,317,333	8,683,150
July 1, 2023 - June 30, 2024	7,451,977	964,384	8,416,361
July 1, 2024 - June 30, 2025	7,791,381	604,302	8,395,683
July 1, 2025 - June 30, 2026	8,213,173	224,747	8,437,921
July 1, 2026 - June 30, 2027	102,274	9,545	111,819
July 1, 2027 - June 30, 2032	156,194	16,057	172,252
TOTAL	$ 31,080,816	$ 3,136,368	$ 34,217,185

Leases Not Subject to GASBS No. 87

Short-Term Leases

In accordance with GASBS No. 87, the Authority does not recognize a lease receivable and a deferred inflow of resources for a lease that is fewer than 12 months. This also includes leases that have expired and are in a month-to-month status.

Regulated Leases

In accordance with GASBS No. 87, the Authority does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings. The U.S. Department of Transportation and the Federal Aviation Administration regulate aviation leases between airports and air carriers and other aeronautical users. The Authority has regulated leases with four airlines and multiple hangar tenants.

The use and lease agreement between the airlines and the Authority includes exclusive, preferential, and joint use of certain spaces at the Airport. The square footage breakdown of the airline leased space is listed below.

FY 2022 LEASED SPACE

	AMERICAN	DELTA	SOUTHWEST	UNITED	TOTAL
Terminal Sq. Ft.	16,258	15,132	20,275	9,834	61,499
Apron Sq. Ft.	118,761	158,348	118,761	79,174	475,044
Lease Gates	3	4	3	2	12

NOTE 5: LEASES (CONTINUED)

The Authority has hangar lease agreements with 24 different entities. The list of hangars and the related square footage under lease is listed below.

NO.	HANGAR TENANT	SQ. FT.	% OF TOTAL
1	MPT of 69th Street	248,242	12%
2	Encompass Health Corp	177,357	8%
3	Regions Bank	129,798	6%
4	H28, LLC	125,789	6%
5	Harbert Aviation Inc.	124,107	6%
6	South Company Service, Inc.	115,220	5%
7	Encompass Health	107,674	5%
8	Hangar 24 LLC	105,563	5%
9	Drummond Company	105,101	5%
10	Air Quarters LLC	99,735	5%
11	McWane Inc.	90,165	4%
12	Hangar 27, LLC	83,850	4%
13	Robins and Morton LLC	71,829	3%
14	OWL Hangar II	71,513	3%
15	Ligon Air, LLC	70,640	3%
16	Ergon Holding LLC	67,298	3%
17	Building 31 LLC	60,570	3%
18	SynFuel Holding LLC	57,901	3%
19	LIV Development	52,475	2%
20	Flag Air, Inc.	49,310	2%
21	Birmingham Bravo	45,500	2%
22	Thompson Tractor	39,073	2%
23	Air Methods, LLC	27,356	1%
24	Vulcan Materials	23,518	1%
		2,149,583	100%

The Authority recognized the following regulated lease revenue inflows in fiscal year 2022.

Airline Lease Revenue	$4,638,012
Hangar Lease Revenue	$2,008,272
Total Regulated Lease Revenue	$6,646,284

NOTE 5: LEASES (CONTINUED)

The future expected minimum payments related to regulated leases are as follows:

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
July 1, 2021 - June 30, 2022	2,081,313	-	2,081,313
July 1, 2022 - June 30, 2023	1,840,299	-	1,840,299
July 1, 2023 - June 30, 2024	1,613,293	-	1,613,293
July 1, 2024 - June 30, 2025	1,598,928	-	1,598,928
July 1, 2025 - June 30, 2026	1,590,443	-	1,590,443
July 1, 2026 - June 30, 2031	3,989,247	-	3,989,247
July 1, 2031 - June 30, 2036	700,889	-	700,889
July 1, 2036 - June 30, 2041	84,702	-	84,702
TOTAL	**$13,499,114**	-	**$13,499,114**

NOTE 5: LEASES (CONTINUED)

LEASE ARRANGEMENTS WITH THE AUTHORITY AS THE LESSEE

The Authority leases copy machines and postage equipment under agreements reported as operating leases and the annual lease payments are recorded as expenses. The current agreements have approximately three-year terms. The future payments associated with those leases are:

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
July 1, 2022 - June 30, 2023	13,536	1,654	15,190
July 1, 2023 - June 30, 2024	14,193	997	15,190
July 1, 2024 - June 30, 2025	12,884	295	13,179
	$40,613	**$2,945**	**$43,559**

The assets leased to the Authority are as follows:

Right of use asset

Office equipment	42,512
Less: Accumulated depreciation	(2,567)
Total	$39,945

NOTE 6: CHANGES IN CAPITAL ASSETS

A summary of the changes in capital assets for the year ended June 30, 2022, and 2021, is as follows:

	BALANCE AT 7/1/2021	ADDITIONS	DEDUCTIONS	BALANCE AT 6/30/2022
Capital assets not being depreciated:				
Land	196,104,725	2,752,702	-	198,857,427
Construction in progress	17,164,851	8,527,154	(100,972)	25,591,033
Total capital assets not being depreciated	$ 213,269,576	$ 11,279,856	($ 100,972)	$ 224,448,460
Capital assets being depreciated:				
Buildings	312,160,346	215,968	(22,109)	312,354,205
Infrastructure improvements	227,382,432	-	-	227,382,432
Machinery and equipment	69,792,849	417,863	(173,564)	70,037,148
Furniture and fixtures	4,537,263	23,498	-	4,560,761
Total capital assets being depreciated	$ 613,872,890	$ 657,329	($ 195,673)	$ 614,334,546
Less accumulated depreciation on:				
Buildings	108,263,770	7,266,233	-	115,530,003
Infrastructure improvements	142,598,732	7,237,958	-	149,836,690
Machinery and equipment	35,954,699	4,470,978	(173,564)	40,252,113
Furniture and fixtures	2,440,547	275,515	-	2,716,062
Total accumulated depreciation	$ 289,257,748	$ 19,250,684	($ 173,564)	$ 308,334,868
Total capital assets depreciated, net	$ 324,615,142	($ 18,593,355)	($ 22,109)	$ 305,999,678
Total capital assets, net	$ 537,884,721	($ 7,313,499)	($ 123,081)	$ 530,448,138

NOTE 6: CHANGES IN CAPITAL ASSETS (CONTINUED)

	BALANCE AT 7/1/2020	ADDITIONS	DEDUCTIONS	BALANCE AT 6/30/2021
Capital assets not being depreciated:				
Land	196,045,615	59,110	-	196,104,725
Construction in progress	45,497,496	17,583,652	(45,916,297)	17,164,851
Total capital assets not being depreciated	$ 241,543,111	$ 17,642,762	($ 45,916,297)	$ 213,269,576
Capital assets being depreciated:				
Buildings	278,928,263	33,232,083	-	312,160,346
Infrastructure improvements	220,518,684	9,609,925	-	227,382,432
Machinery and equipment	66,067,765	5,036,018	(2,746,177)	69,792,849
Furniture and fixtures	4,450,790	86,473	(1,310,934)	4,537,263
Total capital assets being depreciated	$ 569,965,502	$ 47,964,499	($ 4,057,111)	$ 613,872,890
Less accumulated depreciation on:				
Buildings	100,915,212	7,348,554	-	108,263,770
Infrastructure improvements	138,408,175	6,936,734	(2,746,177)	142,598,732
Machinery and equipment	32,813,150	4,452,483	(1,310,934)	35,954,699
Furniture and fixtures	2,174,883	265,665	-	2,440,547
Total accumulated depreciation	$ 274,311,420	$ 19,003,439	($ 4,057,111)	$ 289,257,748
Total capital assets depreciated, net	$ 295,654,082	$ 28,961,060	-	$ 324,615,142
Total capital assets, net	$ 537,197,193	$ 46,603,822	($ 45,916,297)	$ 537,884,721

Depreciation expense in the amount of $19,250,684 and $19,003,437 was charged for the year ended June 30, 2022, and 2021, respectively.

NOTE 7: CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for the years ended June 30, 2022, and 2021 are summarized as follows:

	BALANCE JUNE 30, 2021	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2022	DUE WITHIN ONE YEAR
Revenue bonds payable	$ 102,130,000	-	-	$ 102,130,000	-
Plus: unamortized premium	$ 20,571,750	-	($ 1,857,435)	$ 18,714,315	-
Revenue bonds payable, net	$ 122,701,750	-	($ 1,857,435)	$ 120,844,315	-
Compensated employee absences	$ 585,412	$ 135,456	($ 61,660)	$ 677,209	$ 172,184
Net pension liability	$ 11,041,421	$ 8,731,278	-	$ 19,772,699	-
Other post-employment benefits	$ 362,116	-	($ 937,206)	($ 575,090)	-

	BALANCE JUNE 30, 2020	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2021	DUE WITHIN ONE YEAR
Revenue bonds payable	$ 140,235,000	$ 102,130,000	($ 140,235,000)	$ 102,130,000	-
Plus: unamortized premium	-	$ 20,571,750	-	$ 20,571,750	-
Less: unamortized discount	-	-	-	-	-
Revenue bonds payable, net	$ 140,235,000	$ 122,701,750	($ 140,235,000)	$ 122,701,750	-
Notes payable	$ 7,000,000	-	($ 7,000,000)	-	-
Compensated employee absences	$ 583,657	$ 59,429	($ 57,673)	$ 585,412	$ 120,851
Net pension liability	$ 43,798,692	-	($ 32,757,271)	$ 11,041,421	-
Other post-employment benefits	($ 64,431)	$ 426,547	-	$ 362,116	-

NOTE 8: LINE OF CREDIT

The Authority had an unsecured line of credit with a financial institution. Under the agreement, the Authority could borrow up to $10,000,000 to pay the costs of a facility at the Airport commonly known as a “Quick Turn Around Facility” for use by rental car companies operating at the Airport. The Authority borrowed $7,000,000 in 2019 and repaid the debt in full on June 18, 2021.

NOTE 9: REVENUE BONDS PAYABLE

SERIES 2020

On July 9, 2020, the Authority issued the Birmingham Airport Authority Airport Revenue Refunding Bonds, Series 2020. The bonds consisted of a principal amount of $102,130,000 and a premium of $19,959,828, for a total of $122,089,828. The Series 2020 Bonds were issued to provide funds to refund the Authority’s Series 2010 Bonds outstanding in the principal amount of $138,590,000. Other sources of funds used to refund the Series 2010 bonds included $19,151,475 from debt service reserve and other reserve funds.

The Series 2020 Bonds mature no later than July 1, 2040, and require semiannual interest payments on January 1 and July 1, beginning January 1, 2021, at rates ranging between 4 and 5.0%. Principal payments on the Series 2020 Bonds are due annually beginning July 1, 2023.

The Series 2020 net bond proceeds of $139,386,888 (after payment of $1,853,034 in issuance cost) were deposited into the refunding escrow fund with Synovus Bank to refund the Series 2010 bonds.

NOTE 9: REVENUE BONDS PAYABLE (CONTINUED)

A summary of the revenue bonds payable for the years ended June 30, 2022, and 2021 are summarized as follows:

	MATURITY YEAR	ORIGINAL INTEREST RATE RANGE	FACE VALUE OUTSTANDING JUNE 30, 2022	FACE VALUE OUTSTANDING JUNE 30, 2021
Series 2020, $102,130,000 original principal	2040	4% - 5%	$ 102,130,000	$ 102,130,000
Less: Current maturities			-	-
Add: Unamortized premium			18,714,315	20,571,750
Total revenue bonds payable			$ 120,844,315	$ 122,701,750

The following shows debt service to maturity for the Series 2020 Bonds:

FYE JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2023	0	4,766,500	4,766,500
2024	5,230,000	4,635,750	9,865,750
2025	5,490,000	4,367,750	9,857,750
2026 - 2030	31,865,000	17,324,875	49,189,875
2031 - 2035	25,545,000	9,767,125	35,312,125
2036 - 2040	27,765,000	4,110,900	31,875,900
2041	6,235,000	124,700	6,359,700
Total	$ 102,130,000	$ 45,097,600	$ 147,227,600

NOTES TO THE FINANCIAL STATEMENT

NOTE 10: CAPITAL CONTRIBUTIONS

Since its inception, the Authority has received capital contributions from the City of Birmingham, in the form of net assets transferred as of the date of inception, and through Federal grants and Passenger Facility Charges as follows:

CAPITAL CONTRIBUTIONS	Inception To-Date	2022	2021
City of Birmingham	$ 12,359,477	-	-
Federal	435,382,290	17,451,465	35,677,253
Passenger Facility Charges	118,293,202	5,146,291	3,182,058
Total	$ 566,034,969	$ 22,597,756	$ 38,859,311

NOTE 11: PENSION PLAN

Plan Description

The Authority contributes to the City of Birmingham Retirement and Relief System, a single employer defined benefit pension plan ("the Plan"). This system covers substantially all employees and certain elected officials and appointed employees. Membership is mandatory for covered employees and is effective upon employment. Employees contribute 7.50% of payroll, exclusive of overtime. The City of Birmingham ("the City") is required by statute to fund that part of current service cost and past service cost which exceeds participants' contributions as determined by annual actuarial studies. The City acts as trustee for the Plan.

At June 30, 2022, pension plan membership consisted of the following:

ASSET CLASS	TARGET ALLOCATION
Retirees or Beneficiaries Currently Receiving Benefits	3,549
Inactive Members Due a Refund of Contributions	235
Inactive Plan Members Entitled but Not Receiving Benefits	412
Active Plan Members	3,356
TOTAL	7,552

NOTE 11: PENSION PLAN (CONTINUED)

Funding Policy

The funding methods and determination of benefits payable were established by the legislative acts creating the Plan and provide that the Plan's fund is to be accumulated from employee contributions, employer contributions, and income from the investment of accumulated funds. The cost of administering the Plan is funded by the City. The Plan's financial statements and required supplementary information is presented in the City's June 30, 2022, annual comprehensive financial report, which can be found online at https://data.birminghamal.gov/dataset/comprehensive-annual-financial-reports.

Summary of Significant Accounting Policies

The activities and the financial statements of the Plan are accounted for on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. The Plan's cash assets are invested in equity and fixed income securities and are reported at fair value. Investments are traded on the national exchange.

The Authority's payroll for employees covered by the pension plan was $6,509,037 and $6,781,282 and the total payroll was $7,598,942 and $7,576,613 for the years ended June 30, 2022, and 2021, respectively.

The following are disclosure requirements of that all-inclusive actuarial assumption valuation, as of the last actuarial study of June 30, 2021, for the Plan.

BENEFITS PROVIDED

Retirement and Relief System (Tier I Participants)

A participant hired prior to July 1, 2017, may retire at (a) age 60 if they have completed 5 years of credited service, or (b) any age if he/she has completed 30 years of credited service, and receive a pension benefit of 2.50% of final average salary for each year of credited service. This amount cannot be greater than 75.0% of the final average salary nor less than $400 per month. The service credit used to determine the benefit amount may be increased by credit granted for unused sick leave (on a percent of possible total basis). The final average salary is defined as the highest average compensation over any 36-month period of the employee's last 10 years of participation. A participant may retire early at age 55 if they have completed 25 years of credited service and will receive a benefit amount equal to 1.85% of final average salary for each year of credited service.

Disability

A Tier I participant is eligible for disability benefits after 5 years of credited service. The benefit amount is 2.00% of final average salary at disability for each year of credited services, payable immediately. This amount cannot be greater than 60% of the final average salary nor less than $400.

Extraordinary Disability

If a Tier I or Tier II participant becomes disabled as the result of a job-related injury, they may be eligible for an extraordinary disability benefit regardless of years of service. The benefit begins on the date the participant ceases to receive a salary as an employee, provided the Pension Board has approved the application. The benefit amount is 70% of the participant's monthly salary at the time of the accident.

Termination

To a Tier I participant terminating prior to eligibility for a pension from the plan, a lump sum of contributions without interest is payable. Tier I participants terminating after 5 years of credited service who leave their contributions in the Plan have a non-forfeitable right to a monthly pension beginning at age 60. The form and amount of the pension are the same as the Normal pension.

NOTE 11: PENSION PLAN (CONTINUED)

Optional Benefit Forms

A participant retiring under the plan may choose, in lieu of an annuity for life, an optional form of benefit, including a joint and survivor annuity reduced as described above, a partial lump sum option, or a Social Security option. Optional forms will be calculated as the actuarial equivalent of the life annuity form.

Death Benefits

If a Tier I participant dies prior to his attainment of eligibility for vesting or retirement, if not married, a lump sum of contributions without interest is payable to the beneficiary. If an active vested Tier I participant or vested inactive Tier I participant dies, 60% of the accrued pension benefit, multiplied by the service percentage, is payable to the surviving spouse, if any, during their remaining lifetime. The service percentage is as follows: 5 years – 50%; 6 years – 60%; 7 years – 70%, 8 years – 80%; 9 years – 90%; 10 or more years – 100%. The spousal benefit is deferred to the date the Tier I participant would have been age 60 or would have accrued 20 years of credited service. The spouse may elect an immediate return of the participant's own contributions in lieu of the annuity.

Deferred Retirement Option Plan (DROP)

A Tier I participant with 33 years of service or who is at least age 63 with 23 years of service may elect up to a 36-month Back DROP. The participant's monthly benefit will be calculated using credited service and final average salary as of the Back DROP date, and the participant will receive a lump sum equal to the number of months dropped back times the retirement benefit, accumulated with interest.

Retirement and Relief System (Tier II Participants)

A participant hired on or after July 1, 2017, may retire at (a) age 62 if they have completed 10 years of credited service, or (b) any age if he/she has completed 30 years of credited service, and receive a pension benefit of 2.25% of final average salary for each year of credited service. This amount cannot be greater than 67.5% of the final average salary nor less than $400 per month. The service credit used to determine the benefit amount may be increased by credit granted for unused sick leave (on a percent of possible total basis). The final average salary is defined as the highest average compensation over any 36-month period of the employee's last 10 years of participation. A Tier II participant may retire early at age 55 if they have completed 25 years of credited service and will receive a benefit amount equal to 1.85% of final average salary for each year of credited service.

Disability

A Tier II participant is eligible for disability benefits after 10 years of credited service. The benefit amount is 2.00% of final average salary at disability for each year of credited services, payable immediately. This amount cannot be greater than 60% of the final average salary nor less than $400.

Termination

To a Tier II participant terminating prior to eligibility for a pension from the plan, a lump sum of contributions without interest is payable. Tier II participants terminating after 10 years of credited service who leave their contributions in the Plan have a non-forfeitable right to a monthly pension beginning at age 62. The form and amount of the pension are the same as the Normal pension.

Death Benefits

If a Tier II participant dies prior to his attainment of eligibility for vesting or retirement, if not married, a lump sum of contributions without interest is payable to the beneficiary. If an active vested Tier II participant or vested inactive Tier II participant dies, 60% of the accrued pension benefit, multiplied by the applicable service percentage, is payable to the surviving spouse, if any, during their remaining lifetime. The service percentage is as follows: 10 years – 50%; 11 years – 60%; 12 years – 70%, 13 years – 80%; 14 years – 90%; 15 or more years – 100%. The spousal benefit is deferred to the date the Tier II participant would have been age 62 or would have accrued 20 years of credited service. The spouse may elect an immediate return of the participant's own contributions in lieu of the annuity.

NOTE 11: PENSION PLAN (CONTINUED)

Optional Benefit Forms

A participant retiring under the plan may choose, in lieu of an annuity for life, an optional form of benefit, including a joint and survivor annuity reduced as described above, a partial lump sum option, or a Social Security option. Optional forms will be calculated as the actuarial equivalent of the life annuity form.

Deferred Retirement Option Plan (DROP)

A Tier II participant with 33 years of service or who is at least age 63 with 23 years of service may elect up to a 36-month Back DROP. The participant's monthly benefit will be calculated using credited service and final average salary as of the Back DROP date and the employee will receive a lump sum equal to the number of months dropped back times the retirement benefit, accumulated with interest.

CONTRIBUTIONS

Prior to July 1, 2017, the City, Airport Authority, and E911 participants each contributed one-half of the required contribution payable as a percent of compensation for the year, exclusive of overtime and subject to statutory limits. The participants and City contributions were equal to 7.0% and 7.0%, respectively, effective July 1, 2015, and continuing through June 30, 2017. Effective July 1, 2017, however, the City contributions increased to 7.25%. Effective July 1, 2018, the City contributions increased to 8.5%, and effective July 1, 2019, City contributions increased to 14.5%. Effective July 1, 2021, participants contribute at the rate of 7.5% and the City contribution increased to 16.50%. Health Department participants contribute 6.0%. The plan is funded by contributions from participants, the City, Airport Authority, E911, Health Department, and income from the investment of accumulated funds.

Investments

Investment Policy

The following was the City's adopted asset allocation policy as of June 30, 2021:

ASSET CLASS	TARGET ALLOCATION
Large cap domestic equity	30%
Small and mid cap domestic equity	10%
International equity	27%
Core fixed income	11%
Short-term high-yield fixed income	4%
Private equity	15%
Cash	2%
Other fixed income	1%
Total	100%

NOTE 11: PENSION PLAN (CONTINUED)

Concentrations

The Plan did not hold investments in any one organization that represented 5% or more of the Pension Plan's fiduciary net position.

Rate of Return

For the year ended June 30, 2022, the annual investment rate of return on Plan investments, net of pension plan investment expenses, was an assumed 7.25%. The annual investment rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Net Pension Liability

The Net Pension Liability (NPL) for the plan was measured as of June 30, 2022, and 2021. Plan Fiduciary Net Position (plan assets) was valued as of the measurement dates, and the Total Pension Liability (TPL) was determined from actuarial valuations as of June 30, 2021, and 2020, respectively.

Actuarial Assumptions

The total pension liability as of June 30, 2022, and 2021 used the following actuarial assumptions, applied to all periods included in the measurements:

Inflation	2.25%
Salary increases	2.25%, plus age related (General Employees) or service-related (Fire and Police) salary scale
Investment rate of return	7.25%, including inflation, net of pension plan investment expense
Municipal bond rate	3.54% as of June 30, 2022; 2.16% as of June 30, 2021
Blended discount rate	7.25% as of June 30, 2022; 7.50% as of June 30, 2021

Pre-retirement mortality rates are based on the sex distinct RP-2014 Blue Collar Employee Mortality Table, set forward two years for males and four years for females. Healthy annuitant mortality rates are based on the sex distinct RP-2014 Blue Collar Healthy Annuitant Mortality Table, set forward two years for males and four years for females. Disabled mortality rates are based on the sex distinct RP-2014 Disabled Retiree Mortality Table. All mortality tables are projected generationally using the MP-2015 improvement scale.

NOTE 11: PENSION PLAN (CONTINUED)

Target Asset Allocation

The long-term expected rate of return on pension plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation, and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

ASSET CLASS	TARGET ALLOCATION	LONG-TERM EXPECTED REAL RATE OF RETURN*
Large cap domestic equity	30%	6.20%
Small and mid cap domestic equity	10%	7.00%
International equity	27%	6.80%
Core fixed income	11%	0.40%
Short-term high-yield fixed income	4%	2.60%
Private equity	15%	10.40%
Cash	2%	(0.10%)
Other fixed income	1%	2.80%
Total	100%	

Discount Rate

The discount rates used to measure the Total Pension Liability (TPL) were 7.25% and 7.50% as of June 30, 2022, and June 30, 2021, respectively. The projection of cash flows used to determine the 2021 discount rate assume employee contributions will continue to be made at 7.50% of compensation, and City contributions will be 14.50% of compensation beginning July 1, 2021.

In addition, there are anticipated contributions from the City and the Supplemental System to the Retirement and Relief System, on behalf of Fire and Police retirees who are receiving benefits from the Supplemental System. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, and the fact that the City is expected to begin contributing the Actuarially Determined Contribution, the Plan Fiduciary Net Position (FNP) was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

NOTE 11: PENSION PLAN (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Net Pension Liability (NPL) of the Retirement and Relief System as of June 30, 2022, which is allocated to all employers, calculated using the discount rate of 7.25%, as well as what the Retirement and Relief System's NPL would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	$ 763,888,196	$ 579,844,539	$ 425,098,387

Net Pension Liability

The Authority has allocated a proportional share of 3.41% of the net pension liability of the City of Birmingham Retirement and Relief System, with the allocation based on July 1, 2022, valuation pay. This basis is intended to measure the proportion of each employer's long-term funding requirements. The Authority's allocated share of the net pension liability is $19,772,699.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Net Pension Liability (NPL) of the System as of June 30, 2022, which is allocated to all employers, calculated using the discount rate of 7.25%, as well as what the NPL would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Airport Authority's Proportional Share of Net Pension Liability	$ 26,048,587	$ 19,772,699	$ 14,495,855

NOTE 11: PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

For the year ended June 30, 2022, and 2021, the Authority's recognized pension expenses were ($2,240,246) and ($852,070), respectively. On June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2022	
	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Differences between expected and actual experience	$ 288,664	$ 320,801
Changes of assumptions or other inputs	$ 5,637,212	$ 14,942,992
Change in proportionate share	$ 1,378,482	$ 1,543,387
Net difference between projected and actual earnings on pension plan investments	$ 2,133,970	-
Total	$ 9,438,328	$ 16,807,180

	2021	
	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Differences between expected and actual experience	$ 490,510	$ 426,604
Changes of assumptions or other inputs	$ 6,322,406	$ 21,450,928
Change in proportionate share	$ 1,790,112	$ 2,353,240
Net difference between projected and actual earnings on pension plan investments	-	$ 4,131,135
Total	$ 8,603,028	$ 28,361,907

NOTE 11: PENSION PLAN (CONTINUED)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

YEAR ENDED	RECOGNITION OF DEFERRED OUTFLOWS/ (INFLOWS)
June 30, 2022	N/A
June 30, 2023	($ 1,445,636)
June 30, 2024	($ 2,542,920)
June 30, 2025	($ 4,752,296)
June 30, 2026	$ 1,372,000
Thereafter	$ -

SCHEDULES OF CHANGES IN PROPORTIONAL SHARE OF NET PENSION LIABILITY – LAST TWO FISCAL YEARS

	2022	2021
Proportional share percentage	3.41%	3.36%
Net pension liability	$ 19,772,699	$ 11,041,421
Estimated covered payroll	$ 6,509,037	$ 6,781,292
Net pension liability as percentage of covered payroll	303.77%	162.82%

DETAILED DEVELOPMENT OF PENSION EXPENSE FOR THE YEAR ENDED JUNE 30, 2022, AND 2021	2022	2021
Service cost	741,346	1,882,597
Interest on Total Pension Liability	3,880,863	3,086,301
Expensed portion of current-period changes in proportionate share	112,488	(366,764)
Current-period benefit changes	3,891	-
Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(50,109)	39,177
Expensed portion of current-period changes of assumptions or other inputs	556,591	(4,852,378)
Member contributions	(484,115)	(438,618)

NOTE 11: PENSION PLAN (CONTINUED)

	2022	2021
Projected earnings on plan investments	($ 3,055,684)	($ 2,425,777)
Expensed portion of current-period differences between actual and projected earnings on plan investments	$ 1,372,000	($ 1,469,803)
Administrative expense	$ 13,246	$ 14,579
Recognition of beginning of year deferred outflows of resources as pension expense	$ 3,313,693	$ 5,480,965
Recognition of beginning of year deferred inflows of resources as pension expense	($ 8,583,703)	($ 2,392,542)
Net amortization of deferred amounts from changes in proportion share	($ 60,753)	$ 590,193
Total expense	($ 2,240,248)	($ 852,070)

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS

GENERAL INFORMATION ABOUT THE OPEB PLAN:

Plan Description

The Authority's defined benefit other post-employment benefits (OPEB) Plan, the Birmingham Airport Retiree Medical and Life Insurance Plan (BARMLIP), provides OPEB for all permanent full-time employees of the Authority. BARMLIP is a single employer defined benefit OPEB plan administered by the Authority. Article III of the Lease and Use agreement with the City of Birmingham grants the Authority the right to establish benefit terms and financing requirements. The plan does not have a stand-alone financial report.

On October 22, 2018, the Authority's Board of Directors authorized the creation and funding of an investment OPEB Trust to meet the requirements of GASB 85. The purpose of the OPEB Trust was for the Authority to meet its liability for the payment of health and related benefits for its retired employees under long-established employee benefit plans. Management has a plan whereby cash contributions are intended to be made to help offset the anticipated increased outflows in future years to cover retiree benefits.

The Plan is administered by the management of the Authority, and it's governed by the Chief Financial Officer and in his absence by the CEO/President. The Authority's Board of Directors authorized an OPEB Trust Investment Policy on November 11, 2018.

As of June 30, 2022, the OPEB Trust has a balance of $1,748,859 and is overfunded by $575,090. A contribution of $362,116 was made to the Trust during fiscal year 2022 to satisfy the net OPEB liability from fiscal year 2021.

Benefits Provided

The Authority provides healthcare and life insurance benefits for retirees. The Authority adopted a policy to pay for the cost of post-employment health insurance for eligible employees. Employees of the Authority must meet the following eligibility requirements for pension benefits as defined by the City of Birmingham Retirement and Relief System for retirement:

- Retirees with 30 years of service at any age
- Retirees with 5 or more years of service and age 60 or older
- Retirees receiving disability pension benefits
- Retirees with 25 or more years of service and age 55 or older

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Retirees may elect to continue their health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA). COBRA provides retirees with health insurance coverage for a period of 18 months. Retirees may continue the same coverage (single or family) at the time of retirement. The retiree must elect health insurance coverage under COBRA within 60 days of the retirement date.

Retirees who meet the eligibility requirements, as listed above, are entitled to receive a subsidy amount equal to the amount the Authority pays for single coverage for an active employee. Retirees may receive the subsidy until they reach the age of 65, become Medicare eligible, are covered under another policy, or deceased. The benefits paid under this plan are reimbursements for the cost of coverage, and proof of coverage is required.

The retiree is responsible for paying the applicable balance of the monthly health insurance premium. The retiree may elect to have their portion of the health insurance deducted from their monthly pension benefit or elect to mail a check to the Authority by the 10th of each month for their portion.

The plan also provides all retirees with life insurance benefits up to a maximum of $100,000, of which the Authority pays 100% of the premiums.

Employees covered by benefit terms

At June 30, 2022, the following employees were covered by the benefit terms:

Active participants in valuation:	
Number with Medical and Life Insurance	99
Average age	47.27
Average years of service	6.04
Total payroll	$ 7,145,793

Retired participants:	
Number with Life Insurance	32
Average age	72.03
Number Eligible for Health Insurance Reimbursement	0

The Net OPEB Liability was measured as of June 30, 2022, and 2021. Plan Fiduciary Net Position (Plan assets) was valued as of the measurement dates and the Total OPEB Liability was determined from actuarial valuations using data as of July 1, 2022 and 2021, respectively.

NET OPEB LIABILITY		
Reporting Date for Employer under GASB 75	2022	2021
Measurement Date	2022	2021
Components of the Net OPEB Liability		
Total OPEB Liability	$ 1,173,769	$ 1,751,863
Plan Fiduciary Net Position	1,748,859	1,389,747
Net OPEB Liability	(575,090)	362,116
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	149.00%	79.33%

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

SCHEDULE OF CHANGES - OTHER POST-EMPLOYMENT BENEFITS PLAN

REPORTING DATE FOR EMPLOYER UNDER GASB 75	2022	2021
MEASUREMENT DATE	2022	2021
Total OPEB Liability		
Service cost	159,598	114,677
Interest	57,041	43,252
Differences between expected and actual experience	(484,675)	44,771
Changes of assumptions	(289,709)	224,573
Benefit payments, including refunds of member contributions	(20,349)	(4,874)
Net change in Total OPEB Liability	**($ 578,094)**	**$ 422,399**
Total OPEB Liability — beginning	**$ 1,751,863**	**$ 1,329,464**
Total OPEB Liability — ending	**$ 1,173,769**	**$ 1,751,863**
Plan Fiduciary Net Position		
Contributions — employer	382,465	4,874
Net investment income	2,986	1,422
Benefit payments, including refunds of member contributions	(20,349)	(4,874)
Administrative expense	(5,990)	(5,570)
Net change in Plan Fiduciary Net Positions	**$ 359,112**	**($ 4,148)**
Plan Fiduciary Net Position — beginning	**$ 1,389,747**	**$ 1,393,895**
Plan Fiduciary Net Position — ending	**$ 1,748,859**	**$ 1,389,747**
Net OPEB Liability — ending	**($ 575,090)**	**$ 362,116**
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	149.00%	79.33%
Covered payroll [1]	7,598,942	7,576,613
Plan Net OPEB Liability as a percentage of covered payroll	(7.57%)	4.78%

(1) Covered payroll represents earnable compensation for those eligible for future benefits under the Plan.

Actuarial assumptions and actuarial cost method

The total OPEB liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Rationale for Assumptions:	The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation are shown in the Birmingham Retirement and Relief System Experience Study Report for the five-year period ended June 30, 2020. Based on the results of that study as well as professional judgment, no additional demographic changes are warranted at this time and will be assessed again in the next five year review. The Birmingham Airport Authority participates in this pension plan, and the demographic assumptions for "General Employees" of that plan apply to the Birmingham Airport Authority.
Payroll Increases:	2.25%
Discount Rates:	3.54% for June 30, 2022 and 3.00% for June 30, 2021. The discount rate was assumed to be the greater of the municipal bond rate and the long-term expected rate of return.
Expected Rate of Return on Plan Assets:	3.00%. As the investments are currently all in low-yield fixed income securities, we have assumed that the expected rate of return was equal to a portfolio of low-yield fixed income securities.
Mortality Pre-retirement:	Pri-2012 Employee Amount-weighted Mortality Table, with rates modified by 70%, projected generationally using Scale MP-2021
Mortality Healthy annuitants:	Pri-2012 Healthy Retiree Amount-weighted Mortality Table, with rates modified by 110%, projected generationally using Scale MP-2021
Mortality Disabled annuitants:	Pri-2012 Disabled Retiree Amount-weighted Mortality Table, set back two years for males and set forward two years for females, projected generationally using Scale MP-2021

The tables above, with adjustments as shown, reflect the mortality experience of the Birmingham Retirement and Relief System as of the measurement date. The mortality tables were then generationally projected using Scale MP 2015 to reflect future mortality improvement.

DISABILITY RATES BEFORE RETIREMENT

Age	20	25	30	35	40	45	50	55	60
Disability	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.65%	0.65%	0.65%

20% of disability is assumed to be on-the-job disability

TERMINATION RATES BEFORE RETIREMENT

Years of Service	< 1	1	2	3	4	5	6	7	8	9
Rate Withdrawal	13.00	13.00	13.00	10.00	10.00	10.00	10.00	6.50	6.50	6.50

Years of Service	10	11	12	13	14	15	16-19	20-24	25-29	30+
Rate Withdrawal	6.50	4.00	4.00	4.00	4.00	4.00	2.50	1.50	1.00	0.00

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Retirement Rates:

Employees are assumed to retire, after meeting the service requirements, in accordance with the following rates:

Prior to July 1, 2021

Age	Rate%
Under 50	0.0
50-52	35.0
53-54	25.0
55-61	12.0
62-73	25.0
74 & over	100.0

On or after July 1, 2021

Age	Rate%
Under 55	0.0
55-61	12.0
62-73	25.0
74 & Over	100.0

Salary Scale:

Age	Rate%
20	7.00
25	5.75
30	5.75
35	5.00
40	4.50
45	4.00
50	4.00
55	3.00
60	2.65
65	2.65
70 & over	2.25

The salary scale assumption includes an allowance for inflation of 2.25% per year. The assumption is based on the Airport Authority's pay plan, along with analysis completed in conjunction with an Experience Study Report for the five-year period ended June 30, 2020.

Per-Capita Cost Development:

	Per-capita costs are based on the Assumed 2022 Average Health Subsidy ($371) with no age adjustments. It is assumed that no implicit rate of subsidy is associated with those benefits.
Assumed 2022 Average Health Subsidy (Single Employee)	$371
Assumed Participation	50% medical, 100% Life Insurance
Dependents	Not Covered
Post-retirement Healthcare Cost Rate	0%

Missing Data for Active Participants	The expected age is 47. The expected service is 6. The expected pay is $46,000.
Actuarial Cost Method:	Entry Age Normal as a level percent of pay Actuarial Cost Method. Entry Age is the age at the time the participant would have commenced employment if the plan had always been in existence. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by service, with Normal Cost determined as if the current benefit accrual rate had always been in effect. Actuarial Liability is allocated by salary.
Change in Assumptions:	The discount rate assumption was increased from 3.00% to 3.54%. - A comprehensive Actuarial Experience Review, covering the period July 1, 2015 through June 30, 2020, was completed in December 2021. As a result of that study, the following assumption changes were proposed by the actuary and subsequently were approved by the Board. These changes are reflected for the first time in this valuation. - The payroll growth rate assumption was lowered from 2.50% to 2.25%. - The inflation assumption was lowered from 2.50% to 2.25%. - The age-based salary scale assumption was modified with the individual rates lowered to reflect the decrease in inflation to 2.25%. - The pre-retirement mortality assumption was changed from the RP-2014 Blue Collar Employee Mortality Table with rates set forward two years for males and four years for females, to the Pri-2012 Employee Amount weighted Mortality Table with rates modified by 70%. - The post-retirement mortality assumption for healthy annuitants was changed from the RP-2014 Blue Collar Healthy Annuitant Mortality Table with rates set forward two years for males and four years for females, to the Pri-2012 Healthy Retiree Amount-weighted Mortality Table with rates modified by 110%. - The mortality assumption for disabled retirees was changed from the RP-2014 Disabled Retiree Mortality Table to the Pri-2012 Disabled Retiree Amount-weighted Mortality Table with rates set back two years for males and set forward two years for females. - The generational mortality improvement assumption was changed from Scale MP-2015 to Scale MP-2021. - Retirement rates were modified to better reflect actual experience and expected future patterns. - The service-based turnover assumption was modified. These modifications reflect higher rates during earlier periods of employment. - The age-based disability rates were modified for all groups to better reflect actual experience and expected future patterns. - The on-the-job disability assumption was lowered from 50% of all disabilities to 20% of all disabilities.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates

The following presents the NOL of Airport Authority as well as what the Airport Authority's NOL would be if it were calculated using a discount rate that is 1 percentage point lower (2.54%) or 1 percentage point higher (4.54%) than the current rate. Also shown is the NOL as if it were calculated using healthcare cost trend rates that were 1 percentage point lower or 1 percentage point higher than the current healthcare trend rates.

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Net OPEB Liability (Asset)	($ 335,603)	($ 575,090)	($ 760,522)
	1% Decrease in Healthcare Cost Trend Rates	Current Healthcare Cost Trend Rates	1% Increase in Healthcare Cost Trend Rates
Net OPEB Liability (Asset)	($ 575,090)	($ 575,090)	($ 575,090)

Deferred Outflows of Resources and Deferred Inflows of Resources

The following charts reflect the deferred inflows and outflows of resources related to OPEB. Deferred inflows and outflows are differences between actual and expected experience that are not reflected in the current year's expenses.

Reporting Date for Employer under GASB 75	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2021
Deferred Outflows of Resources		
Changes of assumptions or other inputs	$ 237,239	$ 272,620
Net difference between projected and actual earnings on OPEB plan investments	69,569	48,021
Difference between expected and actual experience in the Total OPEB Liability	34,825	39,800
Total Deferred Outflows of Resources	$ 341,633	$ 360,441
Deferred Inflows of Resources		
Changes of assumptions or other inputs	$ 448,583	$ 234,102
Net difference between projected and actual earnings on OPEB plan investments	-	-
Difference between expected and actual experience in the Total OPEB Liability	538,564	135,944
Total Deferred Inflows of Resources	$ 987,147	$ 370,046

Deferred Inflows of resources and deferred outflows of resources related to OPEB will be recognized as follows:

Reporting Date for Employer under GASB 75 Year Ended June 30, 2021:

2022	2023	2024	2025	2026	2027	THEREAFTER
N/A	($ 94,425)	($ 95,542)	($ 100,055)	($ 108,117)	($ 116,927)	($ 130,448)

OPEB EXPENSE		
Reporting Date for Employer under GASB 75	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2021
Components of OPEB Expense		
Service cost	$ 159,598	$ 114,677
Interest on Total OPEB Liability	57,041	43,252
Current period benefit changes	-	-
Expensed portion of current period difference between expected and actual experience in Total OPEB Liability	(60,587)	4,971
Expensed portion of current period changes of assumptions or other inputs	(36,211)	24,949
Member contributions	-	-
Projected earnings on plan investments	(47,034)	(41,733)
Expensed portion of current period differences between actual and projected earnings on plan investments	8,808	8,063
Administrative expense	5,990	5,570
Other	-	-
Recognition of beginning of year deferred outflows of resources as OPEB expense	54,048	16,058
Recognition of beginning of year deferred inflows of resources as OPEB expense	(60,485)	(60,485)
OPEB Expense	$ 81,168	$ 115,322

NOTE 13: DEFERRED COMPENSATION PLAN

The Authority offers employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or beneficiary) solely the property and rights of the Authority (without being restricted to the provisions of benefits under the plan), subject only to the claims of the Authority's general creditors. Participants' rights under the plan are equal to those of general creditors of the Authority in an amount equal to the fair value of the deferred account for each participant.

It is the opinion of the Authority's legal counsel that the Authority has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Authority believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

NOTE 14: MAJOR CUSTOMERS

From August 15, 2016, until June 30, 2021, the Authority entered into a new five-year agreement with each of the four major airlines serving Birmingham. Under the terms of the agreement, the airlines will be charged full compensatory landing fee rates for the airfield and will be charged commercial compensatory rates for the terminal building reduced by a 30% to 50% non-airline terminal building revenue credit depending on the Capital Improvement Fund balance.

The Authority and the airlines mutually agreed to allow the current Airport Use and Lease agreement to expire on June 30, 2021. The expired agreement remained in holdover status on a month-to-month basis until June 30, 2022.

NOTE 15: RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The Authority has purchased commercial insurance for all risk above minimal deductible amounts. In addition, all tenants and users of the Airport are required to have commercial insurance coverage naming the Authority as additional insured.

During fiscal year 2022, the Authority obtained commercial property and equipment coverage valued at $454,228,893 for a premium of $437,408. No liability is recorded as of June 30, 2022, for outstanding claims or for any potential claims incurred but not reported as of that date. Settled claims have not exceeded these commercial coverages by any material amounts during the year ended June 30, 2022.

NOTE 16: LITIGATION/CONTINGENCY

The Authority is a defendant in various lawsuits and is aware of pending claims arising in the ordinary course of its activities. These lawsuits seek monetary damages that could potentially have an impact on the operations of the Authority. The outcome of these lawsuits is not presently determinable and the status ranges from an early discovery stage to various levels of appeal of judgments. The Authority intends to defend itself vigorously against all suits; however, no prediction can be made, as of the date thereof, with respect to the liability of the Authority for such claims or the outcome of such suits.

NOTE 17: RELATED PARTY TRANSACTIONS

The Authority reimburses the City for the cost of providing security and fire protection services to the Airport. Amounts charged by the City are reported as operating expenses during the year incurred and totaled $2,840,925 and $4,051,053 for the fiscal years ended June 30, 2022, and 2021, respectively.

NOTE 18: COMMITMENTS

On June 30, 2022, the Authority was committed under contracts for the following construction and planning projects:

	Committed Amount
Taxiway Golf Rehabilitation	80,055
Runway 18 RSA Improvements	1,365,183
South Cargo Access Road	1,194,130
Taxiway Bravo, Foxtrot & Overflow Apron	519,062
Runway 6-24, Taxiway Hotel & Connectors Seal Coat	3,155,133
Prefabricated Metal Air Cargo Structure	94,927
Airfield Safety & Capacity Program Definition Study	519,528
Air Cargo Facility, Phase I - Design & Construction	1,953,393
Rwy 6, 24, & 36 Safety Area Improvements	145,920
BAA Office Expansion	509,291
Airport Beautification Program	310,757
Smart Sort Upgrade	40,882
Jet Bridge Refurbishment	605,695
Automated Exit Lane Breach Control System	1,119,393
Terminal Seating Replacement	34,104
Terminal Wi-Fi Upgrades	19,229
Parking Deck - Elevator Restoration D & E	601,883
Enterprise Fuel Slab	192,044
TSA CBRA Expansion	6,080,487
Total	$ 18,541,098

NOTES TO THE FINANCIAL STATEMENT

NOTE 19: CHANGE IN ACCOUNTING PRINCIPAL

Effective July 1, 2021, the City adopted GASB's No. 87 - Leases, using the facts and circumstances that existed at the beginning of the period of implementation. The standard requires that it is applied retroactively unless it is impractical to do so. Due to the number of leases, the Authority considered it impractical to do so. As a result, there was no impact to the Authority's beginning net position upon adoption of the new accounting standard.

The Authority recognized the following balances related to the leases:

The Authority as Lessee	
	July 1, 2021
Right of use assets	$ 42,512
Lease liabilities	$ 40,852

The Authority as Lessor	
	July 1, 2021
Lease receivable	$ 32,003,428
Deferred inflows of resources	$ 32,003,428

For the year ended June 30, 2022, the Authority recognized the following balances related to the leases, excluding Regulated Leases, as desctibed in Note 5.

The Authority as Lessee	
	July 30, 2022
Amortization of right of use asset	$ 2,567
Interest expense	$ 351

The Authority as Lessor	
	July 30, 2022
Rental revenues	$ 799,968
Interest income	$ 1,602,016

NOTE 20: RISKS AND UNCERTAINTIES

There are certain risks within the aviation industry that are unknown at this time that could affect the Airport. The industry is subject to the strength of the economy and can be negatively impacted by additional national and global situations that are beyond the control of the Authority. Some of these uncertainties, including war, terrorism, pandemics, and the price of jet fuel, could adversely affect the financial performance of the Airport and other airports and airlines nationwide.

NOTE 21: SUBSEQUENT EVENTS

On June 17, 2022, the Authority and the four major carriers operating at the Airport entered into a new Airport Use and Lease agreement. The new agreement became effective on July 1, 2022 and will expire on June 30, 2025.

SCHEDULE OF THE PLAN'S FIDUCIARY NET POSITION AS PERCENTAGE OF TOTAL PENSION LIABILITY

PENSION LIABILITY	2022	2021	2020	2019	2018	2017
Total Pension Liability	$ 1,635,731,434	$ 1,550,750,248	$ 2,227,765,845	$ 1,973,741,484	$ 1,783,042,202	$ 1,745,211,041
Less: Plan Fiduciary Net Pension	1,055,885,895	1,222,136,520	993,999,847	1,042,877,491	1,055,421,690	1,038,084,945
City's Net Pension Liability	$ 579,844,539	$ 328,613,728	$ 1,233,765,998	$ 930,863,993	$ 727,620,512	$ 707,126,096
Plan Fiduciary Net Position as a percentage of the Toal Pension Liability	64.55%	78.81%	44.62%	52.84%	59.19%	59.48%

(1) Information in this schedule is presented for the year in which the information is available. Information will be added each year until a full 10-year trend is presented.

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

The following tables present the allocation of Net Pension Liability between the City, the Authority, and the Emergency Communication District:

Allocation of June 30, 2022 to Net Pension Liability (NPL)

EMPLOYER	COVERED EMPLOYEE	PERCENTAGE	NPL
City	$ 183,549,209	96.30%	$ 558,390,292
Authority	6,509,037	3.41%	19,772,699
Emergency Communication District	553,854	0.29%	1,681,548
Total for All Employers	$ 190,612,100	100.00%	$ 579,844,539

Allocation of June 30, 2021 to Net Pension Liability (NPL)

EMPLOYER	COVERED EMPLOYEE	PERCENTAGE	NPL
City	$ 194,762,832	96.40%	$ 327,749,324
Authority	6,781,292	3.36%	11,423,628
Emergency Communication District	482,354	0.24%	815,972
Total for All Employers	$ 202,026,478	100.00%	$ 339,988,924

Allocation of June 30, 2020 to Net Pension Liability (NPL)

EMPLOYER	COVERED EMPLOYEE	PERCENTAGE	NPL
City	$ 192,695,044	96.23%	$ 1,187,253,019
Authority	7,104,956	3.55%	43,798,694
Emergency Communication District	434,161	0.22%	2,714,285
Total for All Employers	$ 200,234,161	100.00%	$ 1,233,765,998

Allocation of June 30, 2019 to Net Pension Liability (NPL)

EMPLOYER	COVERED EMPLOYEE	PERCENTAGE	NPL
City	$ 200,827,204	96.47%	$ 898,004,494
Authority	6,991,168	3.36%	31,277,030
Emergency Communication District	356,972	0.17%	1,582,469
Total for All Employers	$ 208,175,344	100.00%	$ 930,863,993

Allocation of June 30, 2018 to Net Pension Liability (NPL)

EMPLOYER	COVERED EMPLOYEE	PERCENTAGE	NPL
City	$ 196,170,939	96.17%	$ 699,752,646
Authority	7,494,780	3.67%	26,703,673
Emergency Communication District	319,178	0.16%	1,164,193
Total for All Employers	$ 203,984,897	100.00%	$ 727,620,512

Allocation of June 30, 2017 to Net Pension Liability (NPL)

EMPLOYER	COVERED EMPLOYEE	PERCENTAGE	NPL
City	$ 193,408,555	96.60%	$ 683,083,809
Authority	6,561,793	3.28%	23,193,736
Emergency Communication District	235,134	0.12%	848,551
Total for All Employers	$ 200,205,482	100.00%	$ 707,126,096

SCHEDULES OF EMPLOYER CONTRIBUTIONS – PENSION PLAN

	2022	2021	2020	2019	2018	2017
Actuarially determined contribution*	$ 32,795,771	$ 33,322,262	$ 32,166,230	$ 31,146,931	$ 30,063,990	$ 30,564,212
Contribution in relation to the actuarially determined contribution	34,988,353	28,280,924	24,225,209	19,652,651	17,276,073	16,554,808
Contribution deficiency (excess)	(2,192,582)	5,041,338	7,941,021	11,494,280	12,787,917	14,009,404
Covered payroll**	189,292,160	186,487,229	201,581,514	197,988,943	202,177,529	200,441,743
Contributions as percentage of covered payroll	18.48%	15.17%	12.02%	9.93%	8.55%	8.26%

(1) Information in this schedule is presented for the year in which the information is available. Information will be added each year until a full 10-year trend is presented.

Notes to the schedule:

** The actuarially determined contribution is equal to the total calculated contribution in the most recent actuarial valuation, minus the portion expected to be covered by employee contributions.*

*** Payroll is estimated based on the actual employee contributions received and a 7.00% contribution rate for year ended June 30, 2021 and a 7.50% contribution rate for year ended June 30, 2022. The City's contributions as a percentage of covered-employee payroll are greater than the City's statutory contribution rate, since they reflect contributions made by the City on behalf of retired members in the Firemen's and Policemen's Supplemental Pension Plan, as well as transfers from the Supplemental Plan.*

Notes:
Valuation date: Actuarially determined contribution rates are calculated using a July valuation date as of the beginning of the fiscal year in which contributions are reported.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
Last 10 Fiscal Years (1)

The following methods and assumptions are used to determine contribution rates:

ACTUARIAL COST METHOD ENTRY AGE NORMAL	
Actuarial cost method	Entry age actuarial cost method
Amortization method	Level Percent of Payroll, using 2.25% annual increases
Remaining	Rolling 30 years
Amortization Period	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between actual and expected returns on a market value basis and is recognized over a five- year period. The deferred return is further adjusted, if necessary, so that the actuarial value of assets will stay within 20% of the market value of assets.

Actuarial assumptions:	2022
Investment rate of return	7.25%, net of pension plan investment expense, including inflation.
Inflation rate	2.25%
Projected salary increases	2.25%, plus age-related (General Employees) or service-related (Fire and Police) salary scale

The Plan's financial statements and required supplementary information is presented in the City's June 30, 2021, comprehensive annual financial report, which can be found online at *https://data.birminghamal.gov/dataset/comprehensive-annual-financial-reports.*

Notes to the schedule:

** The actuarially determined contribution is equal to the total calculated contribution in the most recent actuarial valuation, minus the portion expected to be covered by employee contributions.*

*** Payroll is estimated based on the actual employee contributions received and a 7.00% contribution rate for year ended June 30, 2021 and a 7.50% contribution rate for year ended June 30, 2022. The City's contributions as a percentage of covered-employee payroll are greater than the City's statutory contribution rate, since they reflect contributions made by the City on behalf of retired members in the Firemen's and Policemen's Supplemental Pension Plan, as well as transfers from the Supplemental Plan.*

Notes:
Valuation date: Actuarially determined contribution rates are calculated using a July valuation date as of the beginning of the fiscal year in which contributions are reported.

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - AIRPORT AUTHORITY

Reporting Date for Employment under GASB 68 and of June 30	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll (2)	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fudiciary Net Position as a Percentage of the Total Pension Liability
2017	3.28%	$ 23,196,736	$ 6,561,763	353.47%	59.48%
2018	3.67%	26,073,673	7,494,780	347.89%	59.19%
2019	3.36%	31,277,030	6,991,168	447.38%	52.84%
2020	3.55%	43,798,692	7,104,956	616.45%	44.62%
2021	3.36%	11,041,421	6,781,292	162.82%	78.81%
2022	3.41%	19,772,699	6,509,037	303.77%	64.55%

(1) Information in this schedule is presented for the year in which the information is available. Information will be added each year until a full 10-year trend is presented.

(2) Payroll is estimated on the actual employee contributions received and a 7.0% contribution rate.

SCHEDULE OF CONTRIBUTIONS — OTHER POST-EMPLOYMENT BENEFITS PLAN

YEAR ENDED JUNE 30:	ACTUARIALLY DETERMINED CONTRIBUTIONS (2)	CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTIONS	CONTRIBUTION DEFICIENCY/ (EXCESS)	COVERED EMPLOYEE PAYROLL (3)	CONTRIBUTIONS AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL
2017	$ 250,339	$ 17,066	$ 233,273	$ 9,014,199	0.19%
2018	228,002	15,211	212,791	7,726,430	0.20%
2019	228,002	1,373,750	(1,145,748)	6,937,207	19.80%
2020	-	2,597	(2,597)	7,157,316	0.04%
2021	-	4,874	(4,874)	7,576,613	0.06%
2022	174,683	382,465	(207,782)	7,598,942	5.03%

(1) Information in this schedule is presented for the year in which the information is available. Information will be added each year until a full 10-year trend is presented.

(2) All "Actuarially Determined Contributions" through June 30, 2017, were determined as the "Annual Required Contribution" under GASB 43 and 45.

(3) Covered employee payroll represents earnable compensation for those eligible for future benefits under the Plan.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
Last 10 Fiscal Years (1)

Notes to Schedule of Contributions - Other Post-Employment Benefit Plan:

Methods and assumptions used to determine contribution rates:

Valuation Date	Actuarially determined contribution rates are calculated as of July 1.
Discount Rate	Beginning of year GASB 75 discount rate.
Asset Method	Market Value
Actuarial Cost Method	Entry Age Actuarial Cost Method for fiscal 2018 and later, Projected Unit Credit for fiscal 2017
Amortization Method	30 years, open, level dollar
Remaining Amortization Period	30 years

(1) Information in this schedule is presented for the year in which the information is available. Information will be added each year until a full 10-year trend is presented.

(2) All "Actuarially Determined Contributions" through June 30, 2017, were determined as the "Annual Required Contribution" under GASB 43 and 45.

(3) Covered employee payroll represents earnable compensation for those eligible for future benefits under the Plan.

SCHEDULE OF INVESTMENT RETURNS - OTHER POST-EMPLOYMENT BENEFIT PLAN

YEAR	ANNUAL MONEY WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE
2017	Not available
2018	Not available
2019	1.12%
2020	1.85%
2021	0.10%
2022	0.19%

(1) Information in this schedule is presented for the year in which the information is available. Information will be added each year until a full 10-year trend is presented.

SCHEDULE OF CHANGES IN NET OPEB LIABILITY - OTHER POST-EMPLOYMENT BENEFITS PLAN

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
Last 10 Fiscal Years (1)

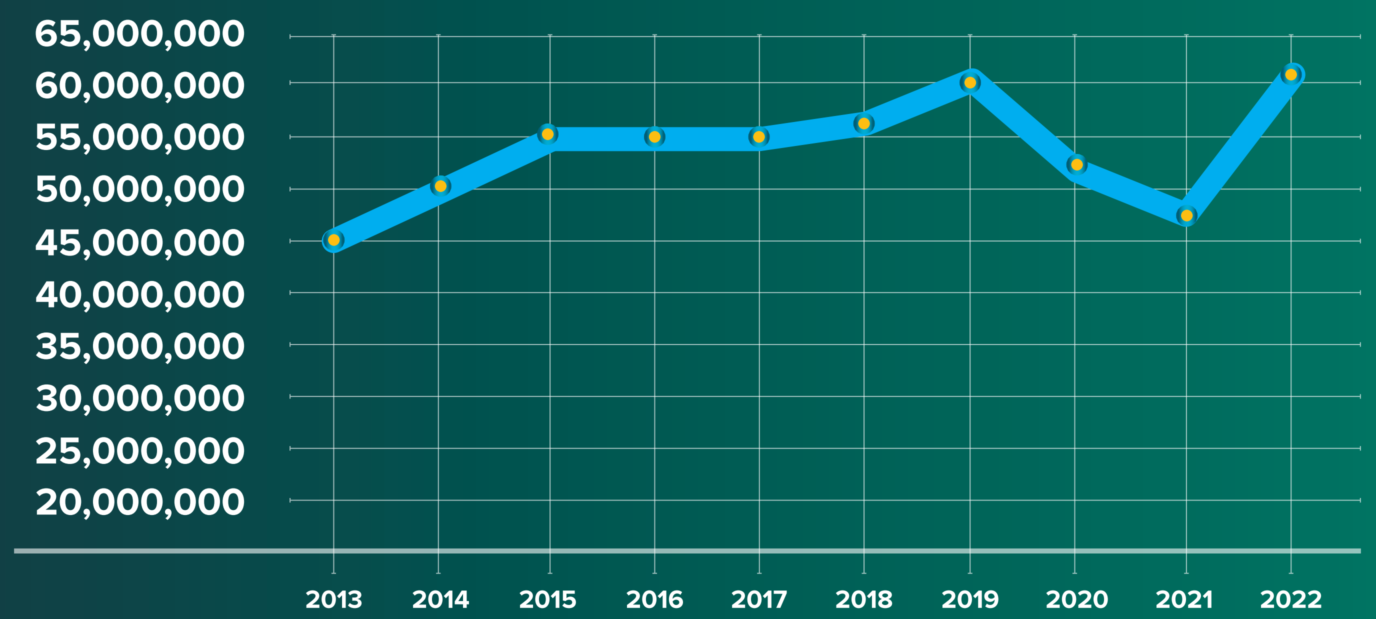
SCHEDULE OF CHANGES IN NET OPEB LIABILITY - OTHER POST-EMPLOYMENT BENEFITS PLAN

REPORTING DATE FOR EMPLOYER UNDER GASB 75	2022	2021	2020	2019	2018
MEASUREMENT DATE	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	$ 159,598	$ 114,677	$ 104,857	$ 149,784	$ 157,857
Interest	57,041	43,252	44,000	58,565	50,036
Change of benefit terms	-	-	-		
Differences between expected and actual experience	(484,675)	44,771	(64,227)	(110,006)	(21,092)
Changes of assumptions	(289,709)	224,573	93,854	(304,568)	(51,762)
Benefit payments, including refunds of member contributions	(20,349)	(4,874)	(2,597)	(7,420)	(15,211)
Net change in Total OPEB Liability	($ 578,094)	$ 422,399	$ 175,887	($ 213,645)	$ 119,828
Total OPEB Liability — beginning	$ 1,751,863	$ 1,329,464	$ 1,153,577	$ 1,367,222	$ 1,247,394
Total OPEB Liability — ending	$ 1,173,769	$ 1,751,863	$ 1,329,464	$ 1,153,577	$ 1,367,222
Plan Fiduciary Net Position					
Contributions — employer	$ 382,465	$ 4,874	$2,597	$ 1,373,750	$ 15,211
Contributions — employee	-	-	-	-	-
Net investment income	2,986	1,422	25,428	7,671	-
Benefit payments, including refunds of member contributions	(20,349)	(4,874)	(2,597)	(7,420)	(15,211)
Administrative expense	(5,990)	(5,570)	(5,534)	-	-
Other	-	-	-	-	-
Net change in Plan Fiduciary Net Positions	$ 359,112	($ 4,148)	$ 19,894	$ 1,374,001	-
Plan Fiduciary Net Position — beginning	$ 1,389,747	$ 1,393,895	$ 1,374,001		
Plan Fiduciary Net Position — ending	$ 1,748,859	$ 1,389,747	$ 1,393,895	$ 1,374,001	-
Net OPEB Liability — ending	($ 575,090)	$ 362,116	($ 64,431)	($ 220,424)	$ 1,367,222
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	149.00%	79.33%	104.85%	119.11%	0.00%
Covered payroll (1)	$ 7,598,942	$ 7,576,613	$ 7,157,316	$ 6,937,207	$ 7,726,430
Plan Net OPEB Liability as a percentage of covered payroll	(7.57%)	4.78%	(0.90%)	(3.18%)	17.70%

(1) Covered employee payroll represents earnable compensation for those eligible for future benefits under the Plan.

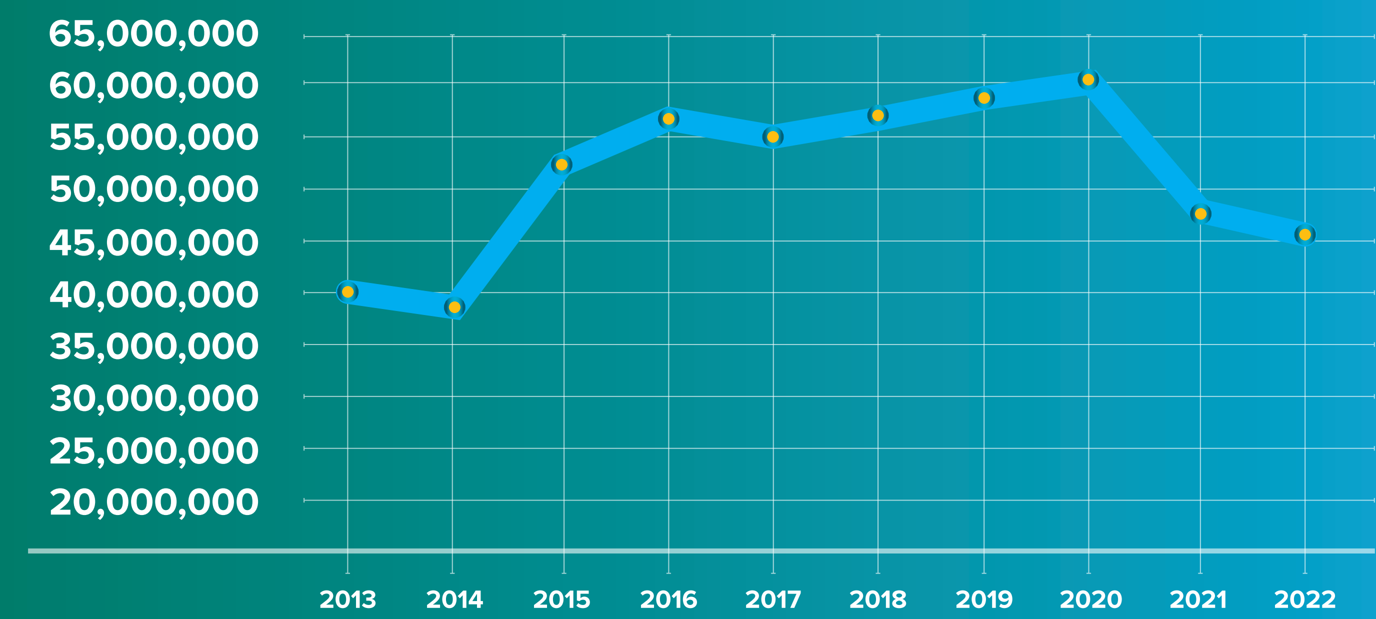
STATISTICAL SECTION

REVENUES 2013 - 2022



STATISTICAL INFORMATION (UNAUDITED)
For the year ended June 30, 2022

EXPENSES 2013 - 2022



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REVENUES	$45,415,868	$50,074,696	$54,151,129	$54,355,603	$54,082,564	$56,952,622	$60,739,232	$52,284,524	$46,743,651	$61,015,359
EXPENSES	$39,817,545	$38,203,374	$52,078,824	$56,152,004	$55,647,182	$57,466,091	$58,306,369	$59,869,194	$47,471,342	$46,820,034

Source: Birmingham Airport Authority Records, Airline Reports

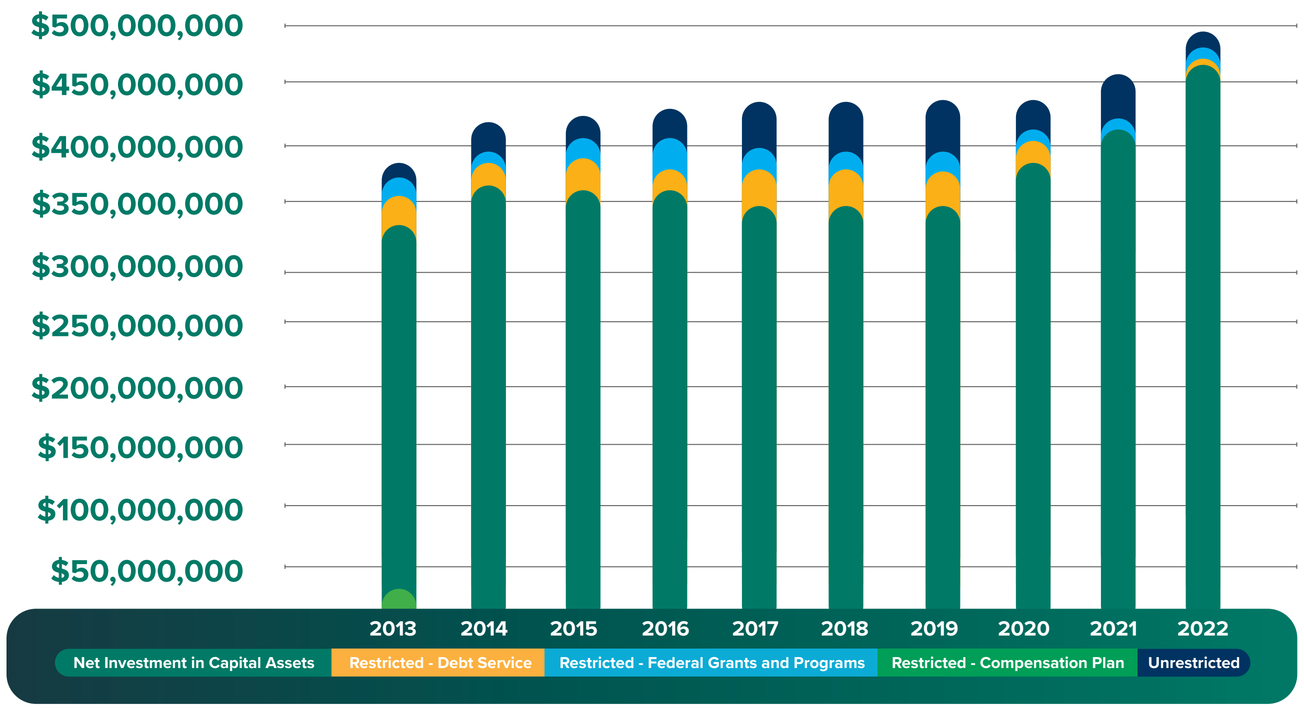
STATISTICAL INFORMATION (UNAUDITED)
For the year ended June 30, 2022

STATISTICAL INFORMATION (UNAUDITED)
For the year ended June 30, 2022

NET POSITION AT YEAR END	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net Investment in Capital Assets	$ 344,957,529	$ 367,798,716	$ 361,560,555	$ 358,269,422	$ 353,534,611	$ 351,827,237	$ 353,013,496	$ 388,862,507	$ 421,175,955	$ 459,100,655
Restricted Net Position										
Restricted for Debt Service	20,313,401	22,797,506	23,108,351	23,613,285	24,041,654	24,581,248	25,294,000	15,733,499	55,637	5,304,475
Federal Grants and Programs	5,431,811	9,427,381	14,186,556	19,075,186	18,903,430	17,802,172	17,609,106	5,380,857	9,311,991	11,120,183
Compensation Plan	1,501,515	-	-	-	-	-	-	-	-	-
Unrestricted	14,235,396	18,624,099	27,179,399	30,881,474	39,014,644	40,779,939	43,879,762	29,782,950	37,018,600	18,088,780
TOTAL NET POSITION	**$ 386,439,652**	**$ 418,647,702**	**$ 426,034,861**	**$ 431,839,367**	**$ 435,494,339**	**$ 434,990,596**	**$ 439,796,364**	**$ 439,759,813**	**$ 467,562,183**	**$ 493,614,093**

Source: Birmingham Airport Authority Records

NET POSITION AS OF JUNE 30 FOR EACH OF THE YEARS PRESENTED



PFC COLLECTIONS

2013
$5,573,339
-0.42%
Year-Over-Year Change

2014
$5,473,591
-1.79%
Year-Over-Year Change

2015
$5,263,847
-3.83%
Year-Over-Year Change

2016
$5,095,712
-3.19%
Year-Over-Year Change

2017
$5,223,462
2.51%
Year-Over-Year Change

2018
$5,710,690
9.33%
Year-Over-Year Change

2019
$6,139,766
7.51%
Year-Over-Year Change

2020
$4,075,347
-33.62%
Year-Over-Year Change

2021
$3,182,058
-21.92%
Year-Over-Year Change

2022
$5,148,351
61.79%
Year-Over-Year Change

STATISTICAL INFORMATION (UNAUDITED)
For the year ended June 30, 2022

CHANGE IN NET POSITION

OPERATING REVENUES	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Aviation Revenues	$ 14,299,252	$ 17,608,083	$ 20,229,860	$ 18,231,429	$ 18,624,349	$ 19,335,890	$ 19,037,947	$ 17,489,109	$ 16,397,963	$ 17,835,735
Concession Revenues	20,181,319	19,870,112	20,661,480	22,478,650	21,940,863	22,810,454	24,431,197	19,226,592	12,698,687	22,152,856
Airport Rentals	1,996,523	2,010,778	1,826,981	1,783,837	1,672,487	2,022,078	2,975,630	3,041,033	2,752,883	3,002,030
Aviation Services	687,890	693,229	720,894	750,965	763,630	804,324	834,290	811,239	769,061	996,365
Miscellaneous Revenues	378,161	596,022	614,307	801,314	827,949	732,591	629,893	534,674	397,445	487,092
TOTAL OPERATING REVENUES	$ 37,543,145	$ 40,778,224	$ 44,053,522	$ 44,046,195	$ 43,829,278	$ 45,705,337	$ 47,908,957	$ 41,102,647	$ 33,016,039	$ 44,474,078

NON-OPERATING REVENUES	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Federal Grants - CARES, CRRSAA, ARPA	-	-	-	-	-	-	-	$ 2,374,536	$ 7,147,198	$ 5,594,884
Passenger Facility Charges	5,571,815	5,175,057	5,241,743	5,258,436	5,208,341	5,708,601	6,135,296	4,057,275	3,175,906	5,141,308
Customer Facility Charges	2,172,432	4,480,839	4,725,271	4,830,565	4,745,406	4,908,780	5,168,987	3,806,147	2,989,088	3,855,981
Interest Income	220,012	161,504	130,593	110,407	239,243	480,042	1,141,005	948,041	271,625	1,875,600
Gain (loss) on Disposal of Capital Assets	(91,536)	(520,928)	-	110,000	-	-	-	-	171,464	21,605
Insurance Settlement	-	-	-	-	27,283	(10,925)	9,332	(4,591)	(27,667)	51,903
Unrealized Gain on Investments (net)	-	-	-	-	33,013	160,787	375,655	469	-	-
TOTAL NON-OPERATING REVENUES	$ 7,872,723	$ 9,296,472	$ 10,097,607	$ 10,309,408	$ 10,253,286	$ 11,247,285	$ 12,830,275	$ 11,181,877	$ 13,727,614	$ 16,541,281
TOTAL REVENUES	$ 45,415,868	$ 50,074,696	$ 54,151,129	$ 54,355,603	$ 54,082,564	$ 56,952,622	$ 60,739,232	$ 52,284,524	$ 46,743,651	$ 61,015,359

Source: Birmingham Airport Authority Records

STATISTICAL INFORMATION (UNAUDITED)
For the year ended June 30, 2022

CHANGE IN NET POSITION CONT.

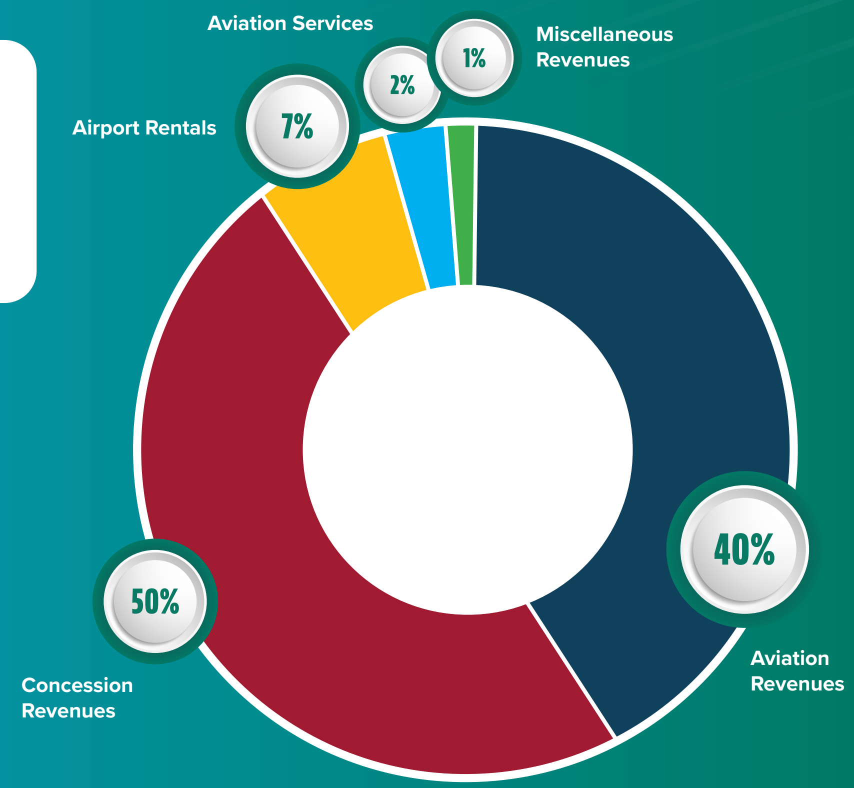
OPERATING EXPENSES	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Salaries and Benefits	$ 10,231,827	$ 11,574,238	$ 13,337,566	$ 16,073,206	$ 15,068,098	$ 15,890,399	$ 15,507,055	$ 17,261,949	$ 8,544,770	$ 7,061,838
Professional/Contracted Services	6,898,828	7,708,103	7,374,387	7,550,984	7,659,450	8,944,073	10,206,340	9,250,780	8,087,158	7,933,618
Materials/Supplies/Maintenance	964,870	1,442,773	1,644,463	1,217,508	1,347,247	1,306,763	1,426,681	1,373,997	1,739,358	2,035,599
Other Operating Expenses	5,108,362	5,254,209	5,129,546	5,383,871	4,657,123	4,815,406	4,869,138	4,552,272	4,043,414	6,323,897
TOTAL OPERATING EXPENSES	**$ 23,203,887**	**$ 25,979,323**	**$ 27,485,962**	**$ 30,225,569**	**$ 28,731,918**	**$ 30,956,641**	**$ 32,009,214**	**$ 32,438,998**	**$ 22,414,700**	**$ 23,354,952**
DEPRECIATION AND AMORTIZATION	**$ 13,447,518**	**$ 9,775,644**	**$ 15,572,715**	**$ 16,311,707**	**$ 17,342,863**	**$ 17,258,899**	**$ 17,361,529**	**$ 18,006,437**	**$ 19,597,391**	**$ 17,450,371**

NON-OPERATING EXPENSES	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Interest Expense	$ 3,213,571	$ 2,479,850	$ 9,011,341	$ 9,606,613	$ 9,572,401	$ 9,250,551	$ 8,935,626	$ 8,777,415	$ 4,142,760	$ 5,085,440
Loss on Extinguishment of Debt	-	-	-	-	-	-	-	434,313	-	-
Bond Issuance Cost	-	-	-	-	-	-	-	212,031	1,268,183	-
Unrealized Loss on Investments (Net)	(47,431)	(31,443)	8,806	8,115	-	-	-	-	48,308	929,271
TOTAL NON-OPERATING EXPENSES	3,166,140	2,448,407	9,020,147	9,614,728	9,572,401	9,250,551	8,935,626	9,423,759	5,459,251	6,014,711
TOTAL EXPENSES	**$ 39,817,545**	**$ 38,203,374**	**$ 52,078,824**	**$ 56,152,004**	**$ 55,647,182**	**$ 57,466,091**	**$ 58,306,369**	**$ 59,869,194**	**$ 47,471,342**	**$ 46,820,034**
FEDERAL CONTRIBUTIONS	**$ 12,759,313**	**$ 20,336,728**	**$ 6,844,392**	**$ 7,600,907**	**$ 4,937,446**	**$ 9,726**	**$ 2,372,906**	**$ 7,548,115**	**$ 28,530,055**	**$ 11,856,581**
TOTAL CHANGE IN NET POSITION	**$18,357,636**	**$32,208,050**	**$ 8,916,697**	**$ 5,804,506**	**$ 3,372,828**	**$ (503,743)**	**$ 4,805,769**	**$ (36,555)**	**$ 27,802,366**	**$ 26,051,910**

Source: Birmingham Airport Authority Records

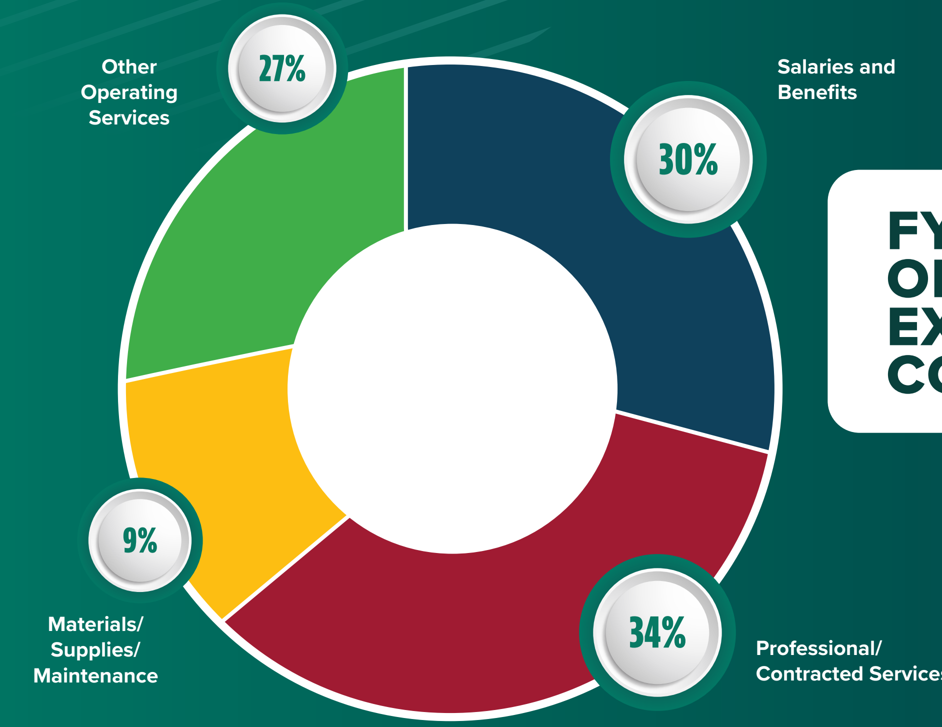
STATISTICAL INFORMATION (UNAUDITED)
For the year ended June 30, 2022

FY2022 OPERATING REVENUE COMPOSITION

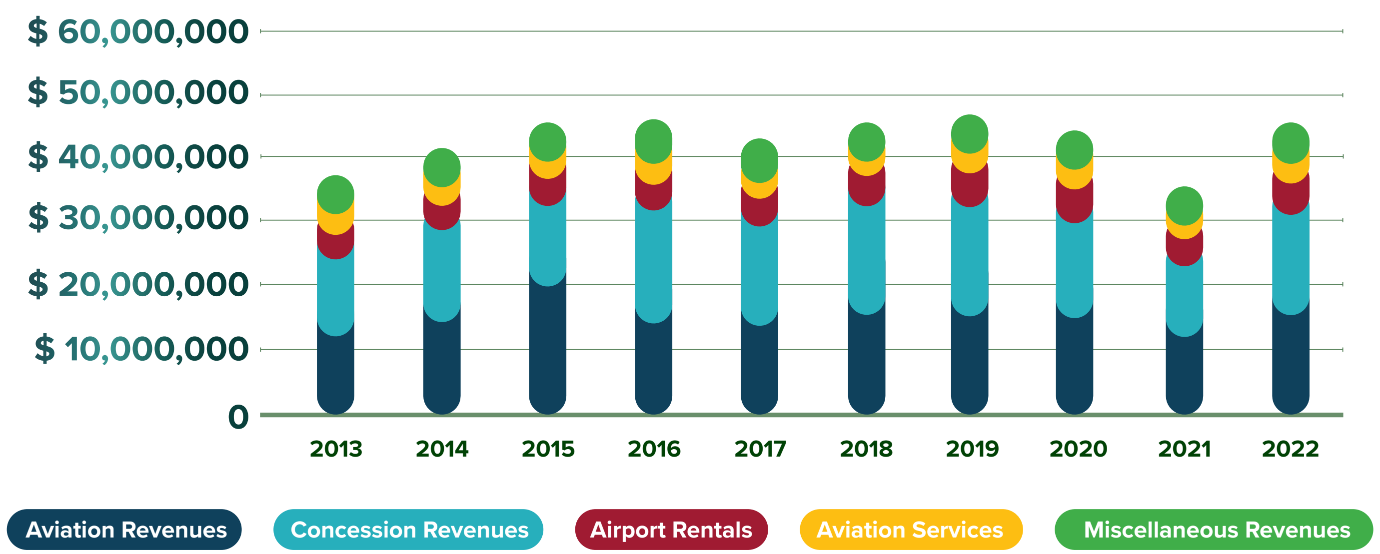


STATISTICAL INFORMATION (UNAUDITED)
For the year ended June 30, 2022

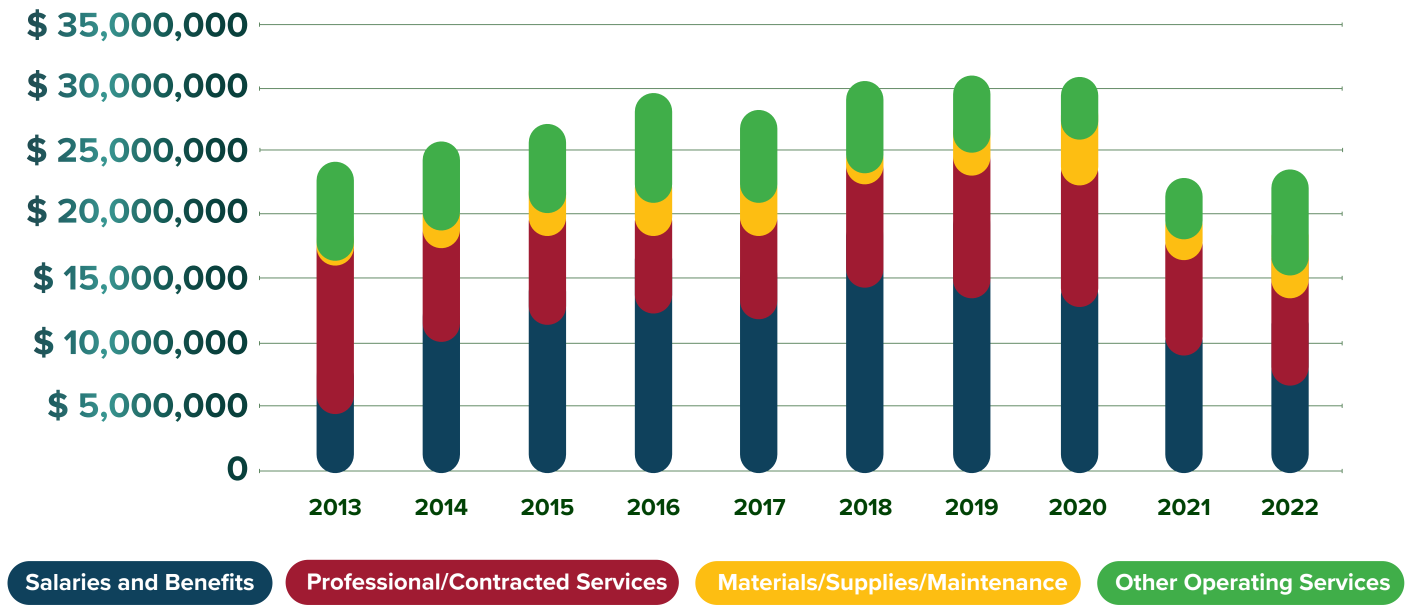
FY2022 OPERATING EXPENSE COMPOSITION



10-YEAR REVENUE COMPOSITION



10-YEAR EXPENSE COMPOSITION



STATISTICAL INFORMATION (UNAUDITED)
For the year ended June 30, 2022

PLEDGED REVENUES

OPERATING REVENUES	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Aviation Revenues										
Landing Fees	8,450,883	9,238,784	10,277,188	10,114,416	10,303,116	11,136,231	10,605,258	8,832,724	8,230,502	9,031,592
Airline Space Rentals	5,265,512	7,710,928	9,233,501	7,347,579	7,280,533	7,076,646	7,319,174	7,558,016	7,417,827	7,677,845
Other Airline Fees & Charges[1]	582,857	658,371	719,171	769,434	1,040,700	1,123,013	1,113,515	1,098,369	749,636	1,126,298
Subtotal	$ 14,299,252	$ 17,608,083	$ 20,229,860	$ 18,231,429	$ 18,624,349	$ 19,335,890	$ 19,037,947	$ 17,489,109	$ 16,397,963	$ 17,835,735
Concession Revenues										
Automobile Parking	13,115,821	12,545,705	12,764,253	14,344,228	13,751,891	14,412,546	15,537,390	11,646,835	6,895,580	14,118,883
Rental Car Operations	5,478,185	5,152,722	5,437,472	5,627,300	5,620,811	5,758,239	6,036,642	5,281,777	4,495,813	5,874,735
Restaurant and Retail	1,215,594	1,563,916	1,748,578	1,906,579	2,071,587	2,089,437	2,193,078	1,693,004	886,413	1,582,444
Ground Transportation	309,331	374,527	428,958	271,037	186,782	217,861	254,537	215,366	107,315	136,098
Terminal Advertising	41,772	177,869	219,381	279,327	262,755	282,802	350,518	264,683	208,142	223,258
Vending, Other Concession & Lesser Fees	20,616	55,373	62,838	50,179	47,037	49,569	59,032	124,927	105,424	217,438
Subtotal	$ 20,181,319	$ 19,870,112	$ 20,661,480	$ 22,478,650	$ 21,940,863	$ 22,810,454	$ 24,431,197	$ 19,226,592	$ 12,698,687	$ 22,152,856
Airport Rentals										
Terminal Office Space	-	-	-	-	-	-	-	435,778	-	279,672
Building Leases	1,996,523	2,010,778	1,826,981	1,783,837	1,672,487	2,022,078	2,975,630	2,605,255	2,752,883	2,722,358
Subtotal	$ 1,996,523	$ 2,010,778	$ 1,826,981	$ 1,783,837	$ 1,672,487	$ 2,022,078	$ 2,975,630	$ 3,041,033	$ 2,752,883	$ 3,002,030
Aviation Services										
Airfield Operations[2]	379,065	384,498	404,266	418,992	419,109	425,459	435,327	460,464	445,373	540,309
Fuel Commissions and Sales	308,825	308,731	316,628	331,973	344,521	378,865	398,963	350,775	323,688	456,056
Subtotal	$ 687,890	$ 693,229	$ 720,894	$ 750,965	$ 763,630	$ 804,324	$ 834,290	$ 811,239	$ 769,061	$ 996,365
Miscellaneous Revenues										
Airport Services Sold[3]	364,771	573,595	490,156	603,267	690,303	694,864	629,893	534,674	139,412	193,311
Miscellaneous Income[4]	13,390	22,427	124,151	198,047	137,646	37,727	-	-	258,033	293,781
Subtotal	$ 378,161	$ 596,022	$ 614,307	$ 801,314	$ 827,949	$ 732,591	$ 629,893	$ 534,674	$ 397,445	$ 487,092
TOTAL OPERATING REVENUES	$ 37,543,144	$ 40,778,224	$ 44,053,522	$ 44,046,195	$ 43,829,278	$ 45,705,337	$ 47,908,957	$ 41,102,647	$ 33,016,039	$ 44,474,078

Source: Birmingham Airport Authority Records

Notes:
1) Apron, ramp overnight parking, and per turn fees
2) FBO and services provided to airlines
3) ATM, Utilities reimbursement, TSA law enforcement reimbursement
4) Event and meeting room rental, settlements and claims, other misc. revenue

Source: Birmingham Airport Authority Records

STATISTICAL INFORMATION (UNAUDITED)
For the year ended June 30, 2022

PLEDGED REVENUES CONT.

NET REVENUES	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Operating Revenue	$ 37,543,144	$ 40,778,224	$ 44,053,522	$ 44,046,195	$ 43,829,278	$ 45,705,337	$ 47,908,957	$ 41,102,647	$ 33,016,039	$ 44,474,078
Interest Income, Including Lease Interest Income	220,012	161,504	130,593	110,407	239,243	480,042	1,141,005	948,041	271,625	1,875,600
Other Non-Operating Revenues	7,652,711	9,134,968	9,967,014	10,199,001	10,014,043	10,767,243	11,689,270	10,233,836	13,455,989	14,665,681
GROSS REVENUES	$ 45,415,867	$ 50,074,696	$ 54,151,129	$ 54,355,603	$ 54,082,564	$ 56,952,622	$ 60,739,232	$ 52,284,524	$ 46,743,653	$ 61,015,359
LESS: OPERATING EXPENSES BEFORE DEPRECIATION	(23,203,887)	(25,979,323)	(27,485,962)	(30,225,569)	(28,731,918)	(30,956,641)	(32,009,214)	(32,438,998)	(22,414,700)	(23,354,952)
NET PLEDGED REVENUE	$ 22,211,980	$ 24,095,373	$ 26,665,167	$ 24,130,034	$ 25,350,646	$ 25,995,981	$ 28,730,018	$ 19,845,526	$ 24,328,953	$ 37,660,407
Debt Service										
Principal	$ 5,765,000	$ 6,005,000	$ 6,295,000	$ 6,590,000	$ 6,930,000	$ 7,270,000	$ 7,625,000	$ 8,015,000	-	-
Interest	10,650,638	10,405,138	10,143,900	9,864,700	9,572,401	9,250,551	8,935,626	8,581,675	4,660,578	4,766,500
TOTAL PRINCIPAL AND INTEREST	16,415,638	16,410,138	16,438,900	16,454,700	16,502,401	16,520,551	16,560,626	16,596,675	4,660,578	4,766,500
Less PFC Revenue Available for Debt Service	(5,002,888)	(5,000,538)	(4,999,338)	(5,001,138)	(5,000,738)	(5,003,738)	(5,000,713)	(5,002,463)	-	-
TOTAL DEBT SERVICE	$ 11,412,751	$ 11,409,601	$ 11,439,563	$ 11,453,563	$ 11,501,663	$ 11,516,814	$ 11,559,913	$ 11,594,212	$ 4,660,578	$ 4,766,500
COVERAGE OF DEBT SERVICE	1.35	1.47	1.62	1.47	1.54	1.57	1.73	1.20	5.22	7.90
Net Required Revenue per Bond Rate Covenant	$ 14,265,938	$ 14,262,001	$ 14,299,453	$ 14,316,953	$ 14,377,079	$ 14,396,017	$ 14,449,891	$ 14,492,765	$ 5,825,723	$ 5,958,125
RATIO OF REQUIRED REVENUE	1.56	1.69	1.86	1.69	1.76	1.81	1.99	1.37	4.18	6.32

Notes:
Debt service requirement, per debt service schedule, is equal to interest expense (excluding amortization of bond discount and amounts provided for payment of interest by bond proceeds and other sources and deposited into a restricted fund for that purpose) for each respective fiscal year ended June 30, plus principal payment payable on the next July 1. Certain passenger facility charge revenue is available to cover required debt service.

Net revenues in each fiscal year are required to be at least equal to the larger of either (1) the debt service and reserve transfer requirements of each fiscal year or; (2) 125% of the debt service requirements for such fiscal year.

Source: Birmingham Airport Authority Records

STATISTICAL INFORMATION (UNAUDITED)
For the year ended June 30, 2022

PLEDGED REVENUES FOR QTA

NET REVENUE	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Customer Facility Charge Collections	$ 1,652,743	$ 4,636,133	$ 4,673,396	$ 4,577,500	$ 4,351,870	$ 5,553,524	$ 5,085,336	$ 4,162,963	$ 2,736,842	$ 3,855,981
Customer Facility Charge Bond	-	-	-	-	-	-	-	7,000,000	-	-
CFC Interest Income	12	2,689	4,544	36,039	64,079	107,691	166,017	51,082	1,866	1,505
TOTAL RESOURCES AVAILABLE FOR DEBT SERVICE	$ 1,652,755	$ 4,638,822	$ 4,677,940	$ 4,613,539	$ 4,415,949	$ 5,661,215	$ 5,251,353	$ 11,214,045	$ 2,738,708	$ 3,857,486
TOTAL ANNUAL EXPENSES	-	(51)	-	(207,097)	(3,930,703)	(7,206,521)	(7,276,963)	(22,245,840)	(2,457,773)	(1,337,065)
NET PLEDGED REVENUE	$ 1,652,755	$ 4,638,771	$ 4,677,940	$ 4,406,442	$ 485,246	$ (1,545,306)	$ (2,025,610)	$ (11,031,795)	$ 280,935	$ 2,520,421

Notes:

On November 19, 2012, the Authority's Board of Directors elected to impose a Customer Facility Charge of $5.00 per transaction day in order to fund a Quick Turn Around Facility "QTA" at the Airport.

The Authority borrowed $7,000,000 from BBVA Compass to pay the costs of the QTA Facility and the costs of issuing the bond. The bond, which was secured by CFC revenue, was repaid in full on June 18, 2021.

No other Airport Funds are pledged toward the payment of QTA expenses.

Source: Birmingham Airport Authority Records, Rental Car Agency CFC Remittance Reports

OUTSTANDING DEBT AND DEBT PER ENPLANED PASSENGER

OUTSTANDING DEBT BY TYPE (1)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2003A Revenue Bonds, Fixed Rate (2)	$ 20,820,000	$ 20,820,000	$ 19,665,000	$ 17,440,000	$ 15,105,000	$ 12,640,000	$ 10,055,000	-	-	-
2003B Revenue Bonds, Fixed Rate	3,000,000	960,000	-	-	-	-	-	-	-	-
2007 Revenue Bonds, Fixed Rate (2)	33,810,000	31,330,000	28,720,000	25,980,000	23,110,000	20,085,000	16,915,000	-	-	-
2010 Revenue Bonds, Fixed Rate (3)	149,995,000	148,750,000	147,470,000	146,140,000	144,755,000	143,315,000	141,800,000	140,235,000	-	-
2020 Revenue Bonds, Fixed Rate	-	-	-	-	-	-	-	-	102,130,300	102,130,300
SUBTOTAL, REVENUE BONDS PAYABLE	$ 207,625,000	$ 201,860,000	$ 195,855,000	$ 189,560,000	$ 182,970,000	$ 176,040,000	$ 168,770,000	$ 140,235,000	$ 102,130,300	$ 102,130,300
UNAMORTIZED (DISCOUNT)/PREMIUM	(446,929)	(479,024)	(479,776)	(481,232)	(483,323)	(485,985)	(489,159)	(7)	20,571,750	18,714,315
TOTAL OUTSTANDING DEBT PAYABLE	$ 207,178,071	$ 201,380,976	$ 195,375,224	$ 189,078,768	$ 182,486,677	$ 175,554,015	$ 168,280,841	$ 140,234,993	$ 122,702,050	$ 120,844,615
TOTAL ENPLANED PASSENGERS	1,408,170	1,307,885	1,330,235	1,349,032	1,336,065	1,409,531	1,533,824	1,119,455	747,272	1,289,296
OUTSTANDING DEBT PER ENPLANED PASSENGER	$ 147.13	$ 153.97	$ 146.87	$ 140.16	$ 136.59	$ 124.55	$ 109.71	$ 125.27	$ 164.20	$ 93.73

Notes:
(1) Includes both current and long-term liabilities (See Note 8)
(2) Defeased by the Authority on December 31, 2019.
(3) Defeased by the Authority on August 10, 2020.

Source: Birmingham Airport Authority Records

STATISTICAL INFORMATION (UNAUDITED)
For the year ended June 30, 2022

PASSENGER STATS BY CARRIER

AIRLINES	Fiscal Year 2015		Fiscal Year 2016		Fiscal Year 2017		Fiscal Year 2018		Fiscal Year 2019		Fiscal Year 2020		Fiscal Year 2021		Fiscal Year 2022	
	Total Passengers	Market Share	Total Passengers	Market Share	Total Passengers	Market Share	Total Passengers	Market Share	Total Passengers	Market Share	Total Passengers	Market Share	Total Passengers	Market Share	Total Passengers	Market Share
American Airlines, Inc.	121,600	4.6%	3,851	0.1%	734	0.0%	684	0.0%	544	0.0%	42,690	1.9%	20,631	1.4%	151,666	5.9%
Envoy Air – AA	81,678	3.1%	88,414	3.3%	73,721	2.8%	111,816	4.0%	109,501	3.6%	101,876	4.5%	121,337	8.1%	175,037	6.8%
American Eagle – AA	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Air Wisconsin – AA	-	0.0%	134,336	5.0%	81,879	3.1%	6,010	0.2%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Express Jet – AA	-	0.0%	2,168	0.1%	4,816	0.2%	29,175	1.0%	7,493	0.2%	-	0.0%	-	0.0%	-	0.0%
Mesa Airlines – AA	-	0.0%	146,613	5.4%	168,447	6.3%	156,101	5.5%	226,843	7.4%	123,173	5.5%	65,024	4.4%	42,261	1.6%
PSA Airlines – AA	-	0.0%	232,405	8.6%	266,838	10.0%	314,256	11.1%	334,649	10.9%	306,600	13.7%	250,492	16.8%	363,261	14.1%
Piedmont Airlines – AA	-	0.0%	-	0.0%	12,003	0.4%	13,038	0.5%	41,667	1.4%	9,672	0.4%	5,989	0.4%	19,611	0.8%
Tran State – AA	-	0.0%	-	0.0%	17,739	0.7%	23,600	0.8%	6,116	0.2%	-	0.0%	-	0.0%	-	0.0%
BahamasAir – AA	986	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Republic America – AA	-	-	-	-	-	-	-	-	-	-	-	-	29,635	2.0%	11,822	0.5%
SkyWest – AA	-	0.0%	-	0.0%	-	0.0%	15,185	0.5%	275	0.0%	9,488	0.4%	11,119	0.7%	19,201	0.7%
American Airlines, Inc. Subtotal	**204,264**	**7.7%**	**607,787**	**22.6%**	**626,177**	**23.5%**	**669,865**	**23.8%**	**727,088**	**23.7%**	**593,499**	**26.4%**	**504,227**	**33.8%**	**782,859**	**30.4%**
US Airways Express	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Aero Mexico – US	772	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Air Wisconsin – US	94,477	3.5%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Mesa Airlines – US	56,627	2.1%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
PSA Airlines – US	250,609	9.4%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
US Airways Express Subtotal	**402,485**	**15.1%**	**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**		**0.0%**
Delta Air Lines	726,460	27.3%	746,020	27.7%	724,089	27.1%	765,772	27.2%	804,660	26.2%	595,680	26.5%	254,121	17.0%	709,176	27.5%
Express Jet (ASA) – DL	104,167	3.9%	134,821	5.0%	94,620	3.5%	46,408	1.6%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Endeavor – DL	8,250	0.3%	21,524	0.8%	12,185	0.5%	17,611	0.6%	56,997	1.9%	13,849	0.6%	95,693	6.4%	72,324	2.8%
GoJet – DL	25,704	1.0%	-	0.0%	28,429	1.1%	95,930	3.4%	36,966	1.2%	30,460	1.4%	-	0.0%	-	0.0%
Shuttle America – DL	-	0.0%	2,383	0.1%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
SkyWest – DL	1,251	0.0%	-	0.0%	23,676	0.9%	2,596	0.1%	92,542	3.0%	75,519	3.4%	-	0.0%	10,803	0.4%
Republic – DL	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	21,359	1.0%	-	0.0%	-	0.0%
Delta Air Lines Subtotal	**865,832**	**32.5%**	**904,748**	**33.6%**	**882,999**	**33.1%**	**928,317**	**32.9%**	**991,165**	**32.3%**	**736,867**	**32.8%**	**349,814**	**23.4%**	**792,303**	**30.7%**
Southwest Airlines	**904,018**	**34.0%**	**883,260**	**32.8%**	**855,357**	**32.1%**	**852,572**	**30.2%**	**903,211**	**29.5%**	**608,480**	**27.1%**	**428,227**	**28.7%**	**726,242**	**28.2%**
United Airlines	-	0.0%	-	0.0%	-	0.0%	480	0.0%	1,673	0.1%	2,624	0.1%	269	0.0%	468	0.0%
Express Jet – UA	222,047	8.3%	164,076	6.1%	185,951	7.0%	139,756	5.0%	108,650	3.5%	55,518	2.5%	6,959	0.5%	-	0.0%
Mesa – UA	123	0.0%	64	0.0%	-	0.0%	13,435	0.5%	55,504	1.8%	60,999	2.7%	61,361	4.1%	45,130	1.8%
Skywest – UA	62,304	2.3%	135,060	5.0%	93,068	3.5%	104,017	3.7%	90,458	3.0%	120,365	5.4%	99,840	6.7%	144,038	5.6%
Republic – UA	-	0.0%	-	0.0%	23,154	0.9%	57,291	2.0%	11,191	0.4%	18,657	0.8%	21,616	1.4%	19,857	0.8%
Air Wisconsin – UA	-	0.0%	-	0.0%	-	0.0%	4,670	0.2%	14,753	0.5%	12,009	0.5%	2,455	0.2%	15,051	0.6%
GoJet – UA	-	0.0%	-	0.0%	-	0.0%	25,820	0.9%	81,722	2.7%	1,709	0.1%	3,905	0.3%	1,687	0.1%
CommutAir – UA	-	-	-	-	-	-	-	-	-	-	-	-	14,494	1.0%	50,055	1.9%
Trans State – UA	-	0.0%	-	0.0%	-	0.0%	-	0.0%	8,620	0.3%	8,552	0.4%	-	0.0%	-	0.0%
United Airlines Subtotal	**284,474**	**10.7%**	**299,200**	**11.1%**	**302,173**	**11.3%**	**345,469**	**12.3%**	**372,571**	**12.2%**	**280,433**	**12.5%**	**210,899**	**14.1%**	**276,286**	10.7%
Xtra Airways	**1,265**	**0.0%**	**-**	**0.0%**	**1,304**	**0.0%**	**288**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**
Republic	**121**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**
Frontier	**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**	**22,854**	**0.8%**	**71,290**	**2.3%**	**25,337**	**1.1%**	**-**	**0.0%**	**-**	**0.0%**
Via Air	**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**	**903**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**
Total Passengers	**2,662,459**	**100.0%**	**2,694,995**	**100.0%**	**2,668,010**	**100.0%**	**2,819,365**	**100.0%**	**3,066,228**	**100.0%**	**2,244,616**	**100.0%**	**1,493,167**	**100.0%**	**2,577,690**	**100.0%**

Source: Airline Reports | Notes: Detailed deplanement information only available through Fiscal Year 2014

Source: Airline Reports | Notes: Detailed deplanement information only available through Fiscal Year 2014

OPERATIONAL STATISTICS

FISCAL YEAR	TOTAL PASSENGERS	PERCENTAGE CHANGE
2012	2,889,969	(2.1%)
2013	2,815,266	(2.6%)
2014	2,613,594	(7.2%)
2015	2,662,459	1.9%
2016	2,694,995	1.2%
2017	2,668,010	(1.0%)
2018	2,819,365	5.7%
2019	3,066,228	8.8%
2020	2,244,616	(26.8%)
2021	1,493,167	(33.5%)
2022	2,577,690	72.6%

PASSENGER AIRCRAFT OPERATIONS			
FISCAL YEAR	TOTAL	INCREASE (DECREASE)	PERCENTAGE CHANGE
2012	44,498	(2,986)	(6.3%)
2013	41,916	(2,582)	(5.8%)
2014	37,306	(4,610)	(11.0%)
2015	37,630	324	0.9%
2016	38,492	862	2.3%
2017	37,706	(786)	(2.0%)
2018	38,982	1,276	3.4%
2019	41,364	2,382	6.1%
2020	33,288	(8,076)	(19.5%)
2021	23,540	(9,748)	(29.3%)
2022	30,864	7,324	31.1%

OPERATIONAL STATISTICS

FISCAL YEAR	ENPLANEMENTS	PERCENTAGE CHANGE
2012	1,447,794	(1.9%)
2013	1,408,170	(2.7%)
2014	1,307,885	(7.1%)
2015	1,330,235	1.7%
2016	1,349,032	1.4%
2017	1,336,065	(1.0%)
2018	1,409,531	5.5%
2019	1,533,824	8.8%
2020	1,119,455	(27.0%)
2021	747,272	(33.2%)
2022	1,289,296	72.5%

PASSENGER AIRCRAFT LANDED WEIGHT (IN THOUSANDS OF POUNDS)			
FISCAL YEAR	TOTAL	INCREASE (DECREASE)	PERCENTAGE CHANGE
2012	1,944,874	(41,635)	(2.1%)
2013	1,835,261	(109,613)	(5.6%)
2014	1,642,368	(192,893)	(10.5%)
2015	1,635,170	(7,198)	(0.4%)
2016	1,624,706	(10,464)	(0.6%)
2017	1,656,428	31,722	2.0%
2018	1,738,586	82,158	5.0%
2019	1,833,622	95,036	5.5%
2020	1,487,485	(346,137)	(18.9%)
2021	1,064,578	(422,907)	(28.4%)
2022	1,494,718	430,140	40.4%

STATISTICAL INFORMATION (UNAUDITED)
For the year ended June 30, 2022

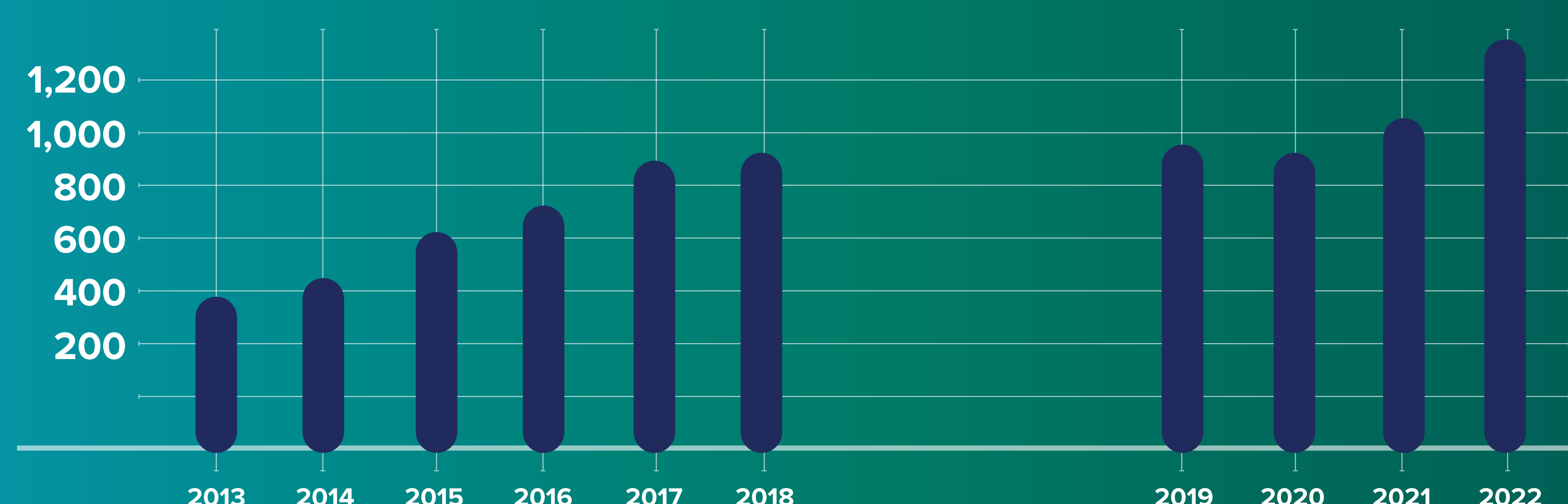
DAYS FUNDED

OPERATING REVENUE	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash Available for Operations										
Unrestricted Cash and Cash Equivalents	$24,681,350	$21,485,093	$26,453,879	$28,488,429	$34,430,543	$39,525,666	$32,075,429	$53,142,353	$39,682,286	$36,913,811
Unrestricted Investments	-	7,007,870	14,983,266	20,168,903	25,926,563	26,398,830	40,599,347	10,146,525	30,208,732	56,945,002
Total Cash Available for Operations	24,681,350	28,492,963	41,437,145	48,657,332	60,357,106	65,924,496	72,674,776	63,288,878	69,891,018	93,858,813
OPERATING EXPENSES LESS NON-CASH PENSION EXPENSE	23,203,887	25,979,323	25,853,901	25,432,220	25,230,897	27,060,856	27,606,851	25,600,510	24,383,945	27,013,701
DAYS IN FISCAL YEAR	365	365	365	366	365	365	365	366	365	365
DAYS FUNDED	388	400	585	700	873	889	961	905	1,046	1,268

Source: Birmingham Airport Authority Records

Notes:
1) Unrestricted

Days Funded



STATISTICAL INFORMATION (UNAUDITED)
For the year ended June 30, 2022

AIRPORT INFORMATION

	BHM	
Location	4 miles Northeast of Downtown	
Area	2,170 Acres	
Elevation	650ft MSL	
Airport Code	BHM	
Runways	18/36	7,099ft X 150ft
	6/24	12,007ft X 150ft
Terminal Space	Airlines	88,527 sf
	Concession and Office Space	149,122 sf
	Circulation Space	147,250 sf
	Utilities	17,162 sf
	Other	23,062 sf
	Total	425,123 sf
Number of Gates/Hardstand Positions	19/4	
Commercial Airline Apron	1,812,216 sf	
Rental Car Facility	8 Rental Car Brands	
Parking Spaces	Parking Deck	4,500
	Economy Lot	450
	Employee Lot	287
	Total	5,237

STATISTICAL INFORMATION (UNAUDITED)
For the year ended June 30, 2022

SUMMARY OF CERTAIN RATES AND CHARGES

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Signatory:										
Landing Fees (2)	$5.33	$5.83	$5.74	$5.59	$5.66	$5.55	$5.20	$5.18	$6.71	$5.38
Terminal Space Rentals (3)	$61.78	$81.98	$70.80	$69.45	$66.98	$70.30	$68.42	$72.25	$65.89	$66.44
Apron fees (3)	$1.23	$1.42	$1.60	$1.50	$1.26	$1.31	$1.31	$1.15	$1.02	$1.09
Non-Signatory:										
Landing Fees (2)	$6.66	$7.29	$7.18	$6.99	$7.08	$6.94	$6.50	$6.48	$8.39	$6.73
Terminal Space Rentals (3)	$77.23	$102.48	$88.50	$86.81	$83.73	$87.88	$85.53	$90.31	$82.36	$83.05
Apron Fees (3)	$1.54	$1.78	$2.00	$1.88	$1.58	$1.64	$1.64	$1.44	$1.28	$1.36
Aircraft Parking (per day) (4)	$105.00	$105.00	$105.00	$105.00	$105.00	$105.00	$105.00	$105.00	$113.00	$133.51
Parking Rates (5)										
Parking Deck Daily	$12.00	$12.00	$12.00	$12.00	$12.00	$12.00	$12.00	$12.00	$12.00	$12.00
Parking Deck Hourly	$24.00	$24.00	$24.00	$24.00	$24.00	$24.00	$24.00	$24.00	$24.00	$24.00
Economy Lot	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00

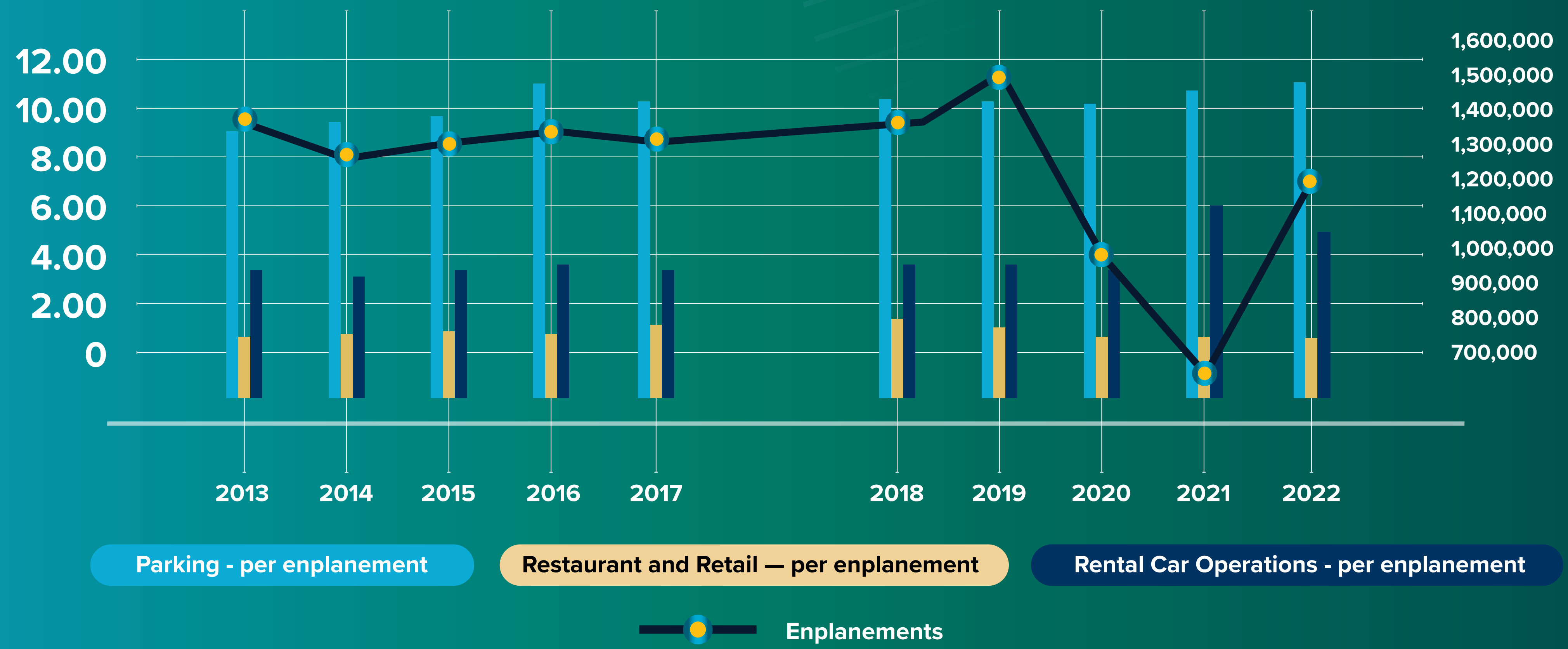
Notes:
1) Airline rates and charges are post-audit.
2) Per 1,000 pounds of landing weight
3) Per square foot per year
4) Priced for a narrow body aircraft
5) Maximum per day

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
NUMBER OF EMPLOYEES	130	141	133	131	158	166	160	155	125	100

Source: Birmingham Airport Authority Records

STATISTICAL INFORMATION (UNAUDITED)
For the year ended June 30, 2022

KEY REVENUE SOURCES PER ENPLANEMENT

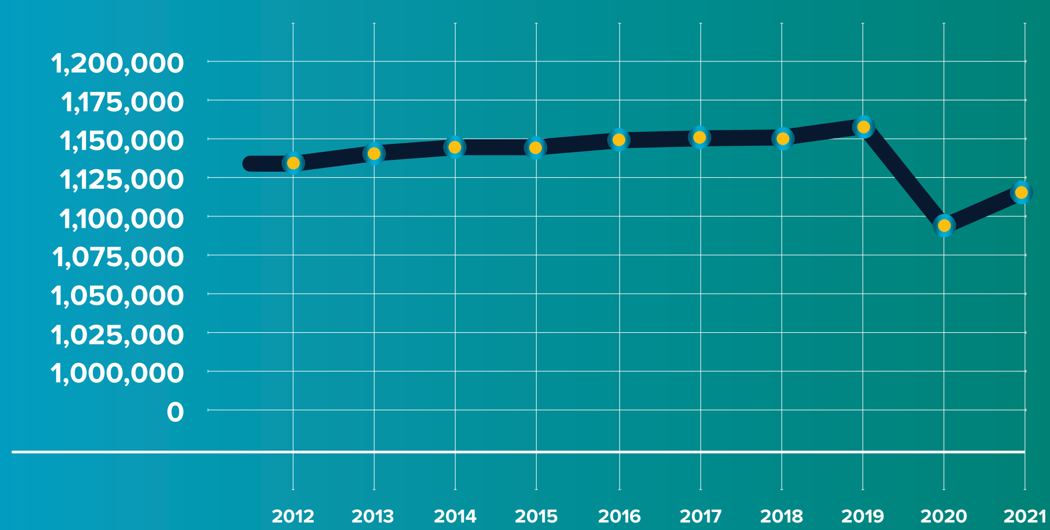


OPERATING REVENUE	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenue per Enplanement										
Parking - per Enplanement	9.31	9.59	9.60	10.63	10.29	10.23	10.13	10.40	9.23	10.95
Restaurant and Retail – per Enplanement	0.86	1.20	1.31	1.41	1.55	1.48	1.43	1.51	1.19	1.23
Rental Car Operations - per Enplanement	3.89	3.94	4.09	4.17	4.21	4.09	3.94	4.72	6.02	4.56

Source: Birmingham Airport Authority Records, Airline Reports

The primary service region for the Birmingham-Shuttlesworth International Airport, the MSA has a diverse economic base and is the principal center of finance, trade, health care, manufacturing, transportation, and education in the State of Alabama. The MSA includes the following six counties, ordered based on population size (largest to smallest): Jefferson, Shelby, St. Clair, Blount, Chilton, and Bibb. Jefferson County, which had an estimated population of approximately 668,000 in 2021, is the center of the MSA and covers 6,145 square miles. Birmingham, situated in the county seat, had an estimated population of nearly 198,000 according to the US Census Bureau.

BIRMINGHAM-HOOVER MSA POPULATION (2012-2021)



YEAR	2012	2013	2014	2015	2016
POPULATION	1,133,993	1,139,018	1,142,823	1,145,647	1,150,168
YEAR	2017	2018	2019	2020	2021
POPULATION	1,150,942	1,151,899	1,154,278	1,092,281	1,114,262

Source: U.S. Census, Nielson.

STATISTICAL INFORMATION (UNAUDITED)
For the year ended June 30, 2022

BIRMINGHAM-HOOVER MSA LARGEST TEN EMPLOYERS (2021 COMPARED TO 2012)

	2021			2012		
NAME	LOCAL EMPLOYEES	RANK	% OF MSA EMPLOYMENT	LOCAL EMPLOYEES	RANK	% OF MSA EMPLOYMENT
University of Alabama at Birmingham	20,757	1	3.9%	18,984	1	3.7%
Regions Financial Corp.	5,763	2	1.1%	6,000	2	1.2%
Honda Manufacturing of Alabama	4,500	3	0.8%	4,000	7	0.8%
Mercedes-Benz U.S. International Inc.	4,500	4	0.8%	3,500	10	0.7%
Children's of Alabama	4,155	5	0.8%	3,700	9	0.7%
Brookwood Baptist Health	3,590	6	0.7%	4,350	5	0.9%
Alabama Power Company	3,555	7	0.7%	3,956	8	0.8%
BlueCross and BlueShield of Alabama	3,282	8	0.6%	-	-	-
Birmingham VA Medical Center	2,995	9	0.6%	-	-	-
St. Vincent's Health System	2,600	10	0.5%	4,820	3	1.0%
City of Birmingham	-	-	-	4,389	4	0.9%
Jefferson County Board of Education	-	-	-	4,315	6	0.9%
Total	55,697		10.4%	58,014		11.4%
Est. MSA Employment	537,784			506,900		

Source: Birmingham Business Journal, Book of Lists (2012 and 2021).
Note: Due to rounding, percentages may not add up precisely to the total provided.

BIRMINGHAM-HOOVER MSA STATISTICAL SUMMARY

YEAR	AVERAGE EMPLOYMENT		PERSONAL INCOME ($000S)		PER CAPITA PERSONAL INCOME		MEDIAN AGE		SCHOOL ENROLLMENT		AVERAGE UNEMPLOYMENT RATE (%)	
2012	506,900	(2)	$45,896,274	(1)	$42,985	(1)	37.6	(1)	283,017	(1)	7.0	(2)
2013	512,400	(2)	$45,842,549	(1)	$42,719	(1)	37.9	(1)	284,730	(1)	6.3	(2)
2014	516,200	(2)	$47,764,875	(1)	$44,376	(1)	38.1	(1)	283,267	(1)	6.0	(2)
2015	521,900	(2)	$50,104,352	(1)	$46,388	(1)	38.2	(1)	282,980	(1)	5.5	(2)
2016	526,500	(2)	$50,935,284	(1)	$47,018	(1)	38.3	(1)	281,045	(1)	5.5	(2)
2017	531,600	(2)	$53,456,370	(1)	$49,216	(1)	38.8	(3)	284,414	(3)	4.1	(2)
2018	539,200	(2)	$55,926,306	(1)	$51,377	(1)	39.0	(3)	282,387	(3)	3.5	(2)
2019	546,000	(2)	$58,020,400	(1)	$53,185	(1)	39.2	(3)	282,035	(3)	2.7	(2)
2020	520,400	(2)	$60,136,271	(1)	$55,074	(1)	39.1	(3)	270,331	(3)	5.5	(2)
2021	537,784	(2)	$65,860,284	(1)	$59,107	(1)	39.2	(3)	266,340	(3)	3.2	(2)

Notes:
(1) U.S. Census Bureau; Bureau of Economic Analysis
(2) U.S. Bureau of Labor Statistics
(3) S&P Market Intelligence; Nielson

COMPLIANCE SECTION

BANKS, FINLEY,
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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of the
Birmingham Airport Authority
Birmingham, Alabama

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, of the Birmingham Airport Authority ("the Authority"), a component unit of the City of Birmingham, as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 13, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Birmingham, Alabama
January 13, 2023

Banks, Finley White & Co.

BANKS, FINLEY, WHITE & CO.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Birmingham Airport Authority
Birmingham, Alabama

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Birmingham Airport Authority's ("the Authority"), a component unit of the City of Birmingham, Alabama, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2022. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Authority's federal programs.

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AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

To the Board of Directors
Birmingham Airport Authority
Page 3

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Birmingham, Alabama
January 13, 2023

Banks, Finley, White & Co.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2022

FEDERAL GRANTOR	CFDA NUMBER	ID NUMBER	EXPENDITURES
U.S. DEPARTMENT OF TRANSPORTATION:			
Federal Aviation Administration			
Airport Improvement Program	20.106	3-01-0014-102-2019	$1,611,461
	20.106	3-01-0014-103-2019	15,081
	20.106	3-01-0014-105-2020	959,540
	20.106	3-01-0014-106-2020	106,845
	20.106	3-01-0014-108-2020	3,014,006
	20.106	3-01-0014-109-2020	122,166
CRRSA	20.106	3-01-0014-110-2021	2,188
ARPA	20.106	3-01-0014-112-2022	12,233,743
	20.106	3-01-0014-114-2022	11,385
	20.106	3-01-0014-116-2022	94,380
	20.106	3-01-0014-118-2022	7,114
			$18,177,909
U.S. DEPARTMENT OF HOMELAND SECURITY			
Transportation Security Administration			
Electronic Baggage Screening Program	97.117	70T04018T9CAP1056	$16,398
COVID-19 Cleaning & Sanitization Services	21.019	70T01020T9NCKP120	133,800
			$150,198
Total Expenditures of Federal Awards			**$18,328,107**

Notes: Includes grant receivables as of June 30, 2022.

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards include the federal grant activity of the Birmingham Airport Authority ("the Authority") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). The Schedule presents only selected portions of the operations of the Authority. The Schedule is not intended to and does not present the financial position, changes in financial position or cash flows of the Authority.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Authority has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:		
Internal control over financial reporting:		
• Material weakness(es) identified?	____ **Yes**	x **No**
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	____ **Yes**	x **No**
Noncompliance material to financial statements noted?	____ **Yes**	x **None Reported**

Federal Awards

Internal control over major programs:		
• Material weakness(es) identified?	____ **Yes**	x **No**
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	____ **Yes**	x **None Reported**
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance Section 200.515?	____ **Yes**	x **No**

Identification of major programs:

CFDA NUMBERS	NAME OF FEDERAL PROGRAM OR CLUSTER
20.106	Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000	
Auditee qualified as low-risk auditee?	x **Yes**	____ **No**

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

BANKS, FINLEY, WHITE & CO.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE PASSENGER FACILITY PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE FEDERAL AVAITION ADMINISTRATION

To the Board of Directors of the
Birmingham Airport Authority
Birmingham, Alabama

Report on Compliance for Passenger Facility Charges Program

We have audited the Birmingham Airport Authority's ("the Authority"), a component unit of the City of Birmingham, Alabama, compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies,* issued by the Federal Aviation ("the Guide") the that could have a direct and material effect on the Authority's Passenger Facility Charges Program ("PFC") for the year ended June 30, 2022.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's PFC program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the PFC program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the PFC program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Compliance for Passenger Facility Charges Program

In our opinion, the Authority, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its PFC programs for the year ended June 30, 2022.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the PFC program to determine the auditing

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procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the PFC program and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

Report on Passenger Facility Charge Revenues and Disbursements Schedules

We have audited the basic financial statements of the Authority, as of and for the year ended June 30, 2022, and have issued our report thereon dated January 13, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying passenger facility charge revenues and disbursements schedules are presented for purposes of additional analysis as required by the Guide and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the passenger facility charge revenues and disbursements schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Birmingham, Alabama
January 13, 2023

Banks, Finley White & Co.

SCHEDULE OF PFC COLLECTED AND EXPENDED

For the year ended June 30, 2022

QUARTER ENDED	PFC CHARGES RECEIVED	INTEREST EARNED	TOTAL RECEIVED	EXPENDITURES ON APPROVED PROJECTS	NET PER FINANCIAL STATEMENTS
Beginning Balance	113,146,911	1,434,921	114,581,832	108,578,723	6,003,109
9/30/21	1,283,458	1,581	1,285,039	-	1,285,039
12/31/21	1,266,226	1,751	1,267,977	-	1,267,977
3/31/22	1,197,617	1,975	1,199,592	-	1,199,592
6/30/22	1,398,990	1,736	1,400,726	5,000,000	(3,599,274)
Total 2022	5,146,291	7,043	5,153,334	5,000,000	153,334
Total Progam to Date	$ 118,293,202	$ 1,441,964	$ 119,735,166	$ 113,578,723	$ 6,156,443
Receivable at June 30, 2022					$ 454,048
PFC Funds to be used for future debt service payments and capital projects:					$ 6,610,492

NOTES TO THE SCHEDULE OF PFC COLLECTED AND EXPENDED

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Passenger Facility Charges Collected and Expended includes all the PFCs and the interest earnings thereon collected by the Authority from August 1, 1997 (original date of approval) through June 30, 2022. The schedule also includes all funds expended life to date. The Authority currently collects $4.50 per enplaned passenger. The current approval for charges as approved by the Federal Aviation Administration is estimated to end on February 1, 2031.

NOTE 2: BASIS OF ACCOUNTING

The Schedule of Passenger Facility Charges Collected and Expended was prepared on the accrual basis of accounting. PFCs are recorded as revenue when earned and expenditures for debt service and approved capital projects are recorded as expenditures are incurred. Expenditures are incurred in accordance with the approved FAA application for use.

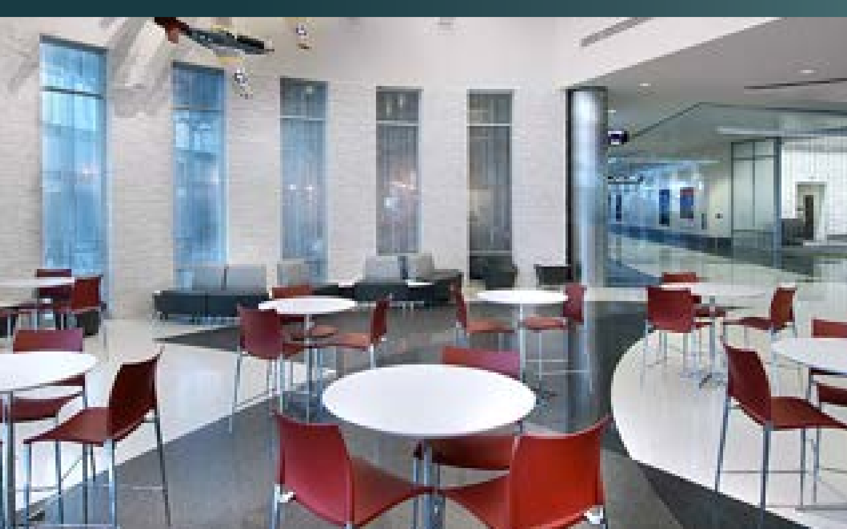
NOTE 3: PROGRAM COSTS

The amounts shown as current year revenues and expenses represent only the Passenger Facility Charges portions of the project costs. Entire project costs may be more than shown.

NOTE 4: RECONCILIATION TO STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

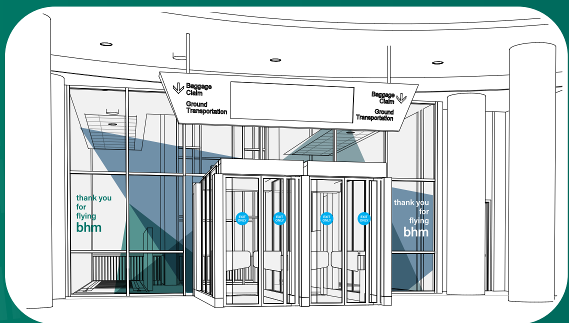
Passenger Facility Charges are reported on an accrual basis in the Authority's Statement of Revenues, Expenses, and Changes in Net Position in the Comprehensive Annual Financial Report. Reporting standards adopted by the FAA require that, for purposes of the Schedule of PFC Collected and Expended, such charges be reported on a cash basis. A reconciliation between cash collections and revenues reported on the accrual basis is as follows:

	FISCAL YEAR 2022
Passenger Facility Charges:	
PFC Funds Received per Schedule of PFC Collected and Expended	$ 5,146,291
Less Prior Year Accrual	459,031
Add Current Year	454,048
Amount Per Statement of Revenues, Expenses, and Changes in Net Position	$ 5,141,308



BY THE NUMBERS (Unaudited)

FISCAL YEAR 2022 BAA PROJECT SUMMARIES



EXIT LANE BREACH CONTROL SYSTEM

In the fall of 2022, the BAA launched a project to install new Exit Lane Breach Control Systems at each of the two secured exits in the terminal. This new system enhances security at the airport by creating a barrier between the public and the secured side of the terminal, while using technology to allow the exit flow of departing passengers. The aesthetic design and glass features create a feeling of openness while maintaining tight controls on passenger flow. The project cost was approximately $1 million and will be 100% funded by the BAA.

AIR CARGO FACILITY BUILDING 2

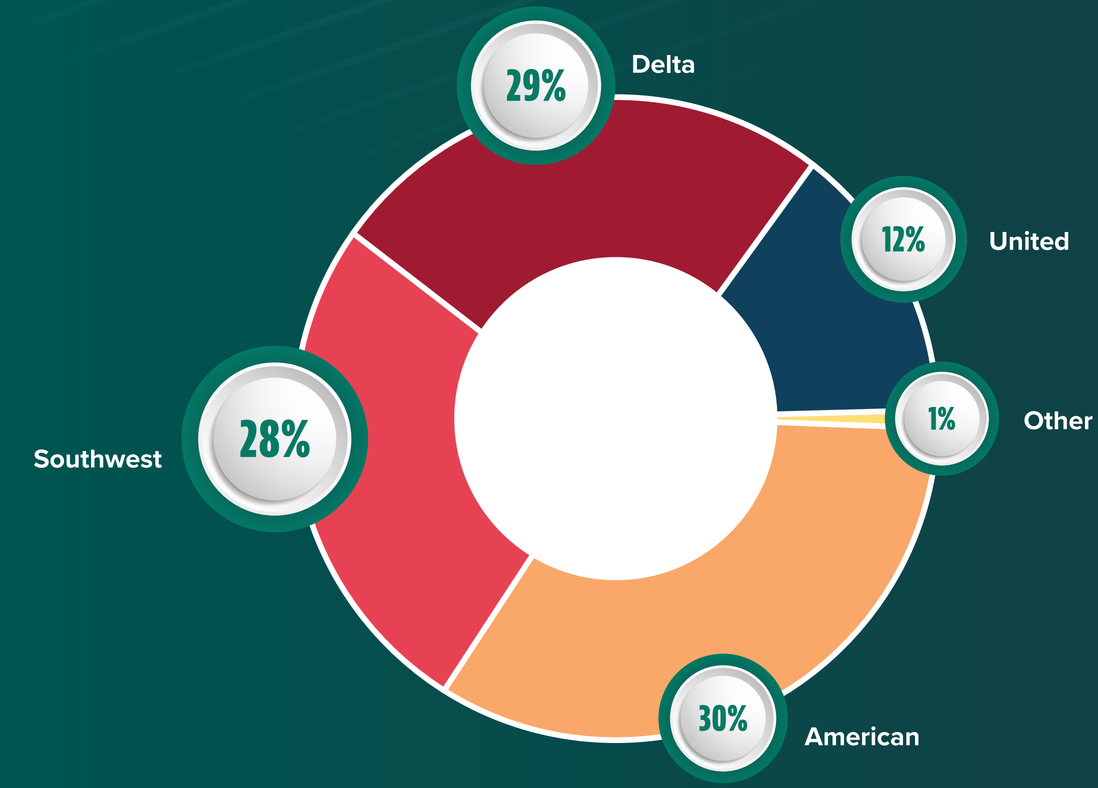
Due to a significant demand for additional cargo space at the airport, the BAA has embarked on an ambitious project to build a new air cargo facility. While design of a new cargo building got underway in 2022, plans moved forward to begin building a 53,000-square-foot building, expanding the aircraft parking apron, and adding truck and employee parking. The BAA will break ground on the new facility in early 2023 and work toward completion in 2024. The total cost of the BAA-funded project is approximately $23 million dollars.

TAXIWAY B, F AND OVERFLOW APRON REHABILITATION

The BAA is committed to extending the useful life of existing pavement. Based on the Airport Pavement Management System (AMPS) and daily inspection reports, Taxiways B and F, along with the Overflow Apron, are in need of rehabilitation. With design starting in 2022 and construction expected to begin in summer of 2023, the rehabilitation will extend the life of the surfaces for 10 – 20 years. The project is funded by the DOT Bipartisan Infrastructure Law (BIL) with BAA funding the local share (10%).

RUNWAY 6, 24 AND 36 SAFETY AREA IMPROVEMENTS

Optimizing safety on and around runways is critical at airports. Routine inspections of the airfield identified areas in need of rehabilitation so that the BAA could maintain optimal effectiveness. The design of these safety area improvements began in November 2022, with construction slated for 2023. The BAA funded the initial design expenses with the expectation of reimbursement in the coming grant year. The total cost of the project is $3.4 million to be funded by the Airport Improvement Program (AIP) with a Local Share (10%).



2.6M Passengers served in FY 2022

4 Airlines

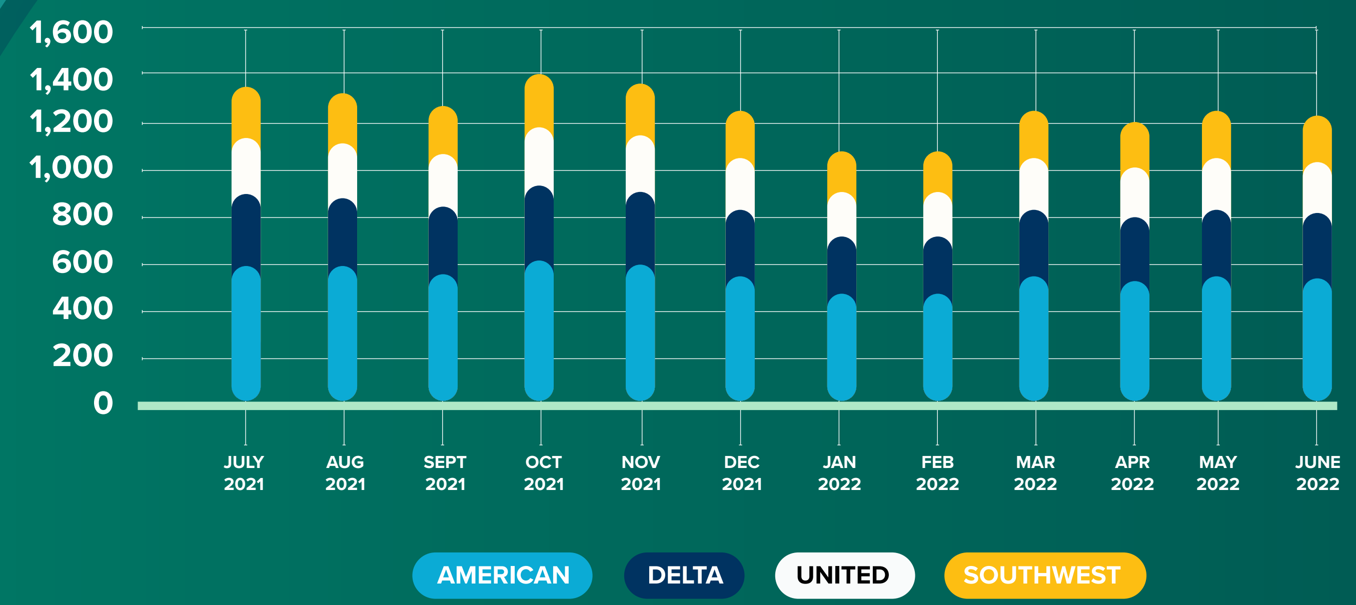
92 Peak Daily Flights

18 Airports Served Nonstop

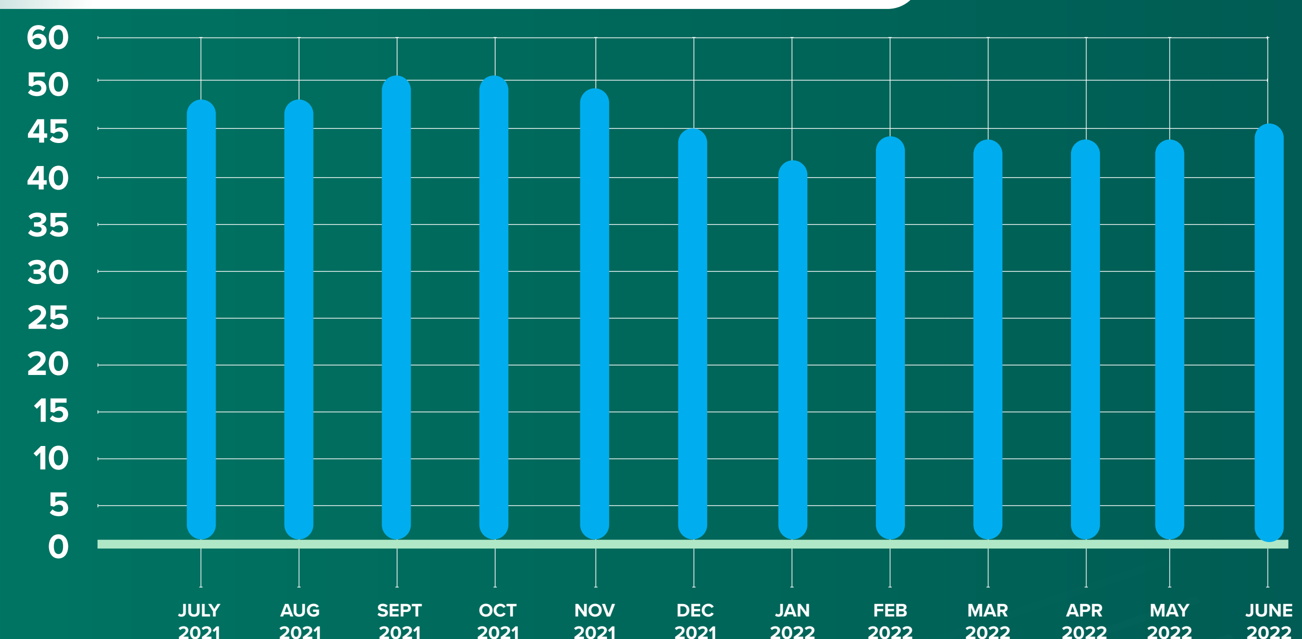
93% Customer Satisfaction Rate

BHM DAILY DEPARTURES

DAILY DEPARTURES BY AIRLINE



PEAK DAILY DEPARTURES

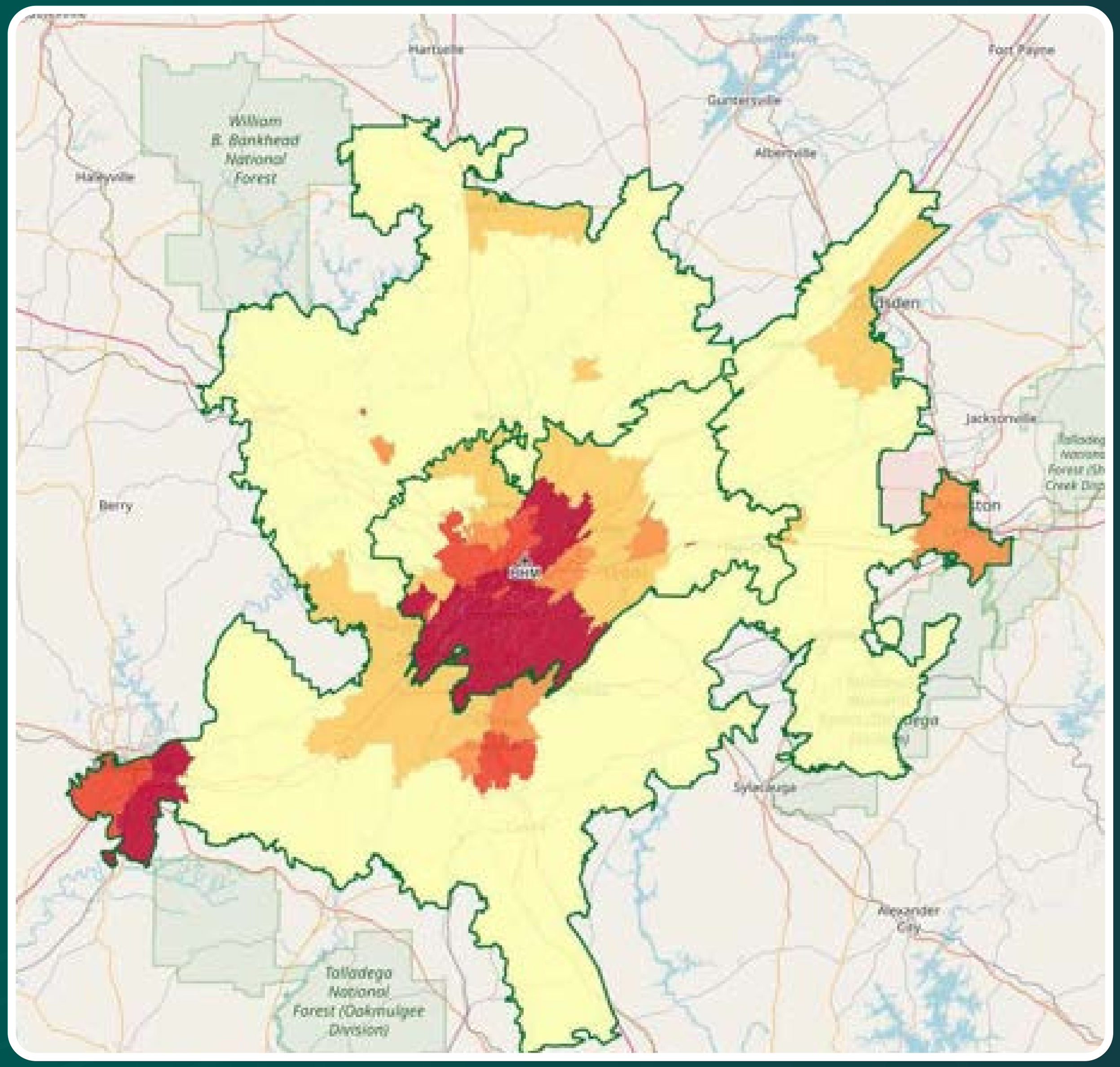


- Daily departures at BHM peaked in fall 2021 as air travel growth has been restricted by pilot shortages.
- American provides service to Charlotte, Chicago, Dallas, Miami, Philadelphia, and Washington DC.
- Southwest served Baltimore, Chicago, Dallas, Denver, Houston, Las Vegas, Orlando, and Tampa.
- Delta flies to Atlanta, Detroit, and New York.
- United offers service to Chicago, Denver, and Houston.

CATCHMENT AREA DEMOGRAPHICS

BHM CATCHMENT AREA – 60-MINUTE DRIVE:

The Birmingham Catchment Area was defined as the geographic region surrounding the Birmingham-Shuttlesworth International Airport that is approximately a 60-minute drive from the airport.



TOP DOMESTIC O&D MARKETS

Rank	Destination	O&D Passengers	O&D Revenue ($)	Average Fare ($)	YOY% Change		
					Pax	Rev	Fare
1	Orlando, FL	138,857	19,174,255	138	33%	103%	53%
2	Denver, CO	103,421	18,872,147	182	62%	113%	31%
3	Tampa, FL	86,821	10,365,091	119	111%	133%	10%
4	Dallas, TX (DFW)	86,233	15,900,767	184	47%	100%	37%
5	New York, NY (LGA)	82,855	16,674,670	201	370%	440%	15%
6	Dallas, TX (DAL)	80,659	10,205,226	127	42%	90%	34%
7	Las Vegas, NV	78,019	17,819,511	228	69%	142%	43%
8	Houston, TX (IAH)	67,769	12,311,369	182	46%	82%	25%
9	Washington, DC (DCA)	64,527	12,947,810	201	149%	236%	35%
10	Chicago, IL (ORD)	54,325	9,468,559	174	81%	142%	34%
11	Baltimore, MD	52,641	7,170,755	136	155%	190%	14%
12	Philadelphia, PA	51,659	11,029,038	213	134%	194%	26%
13	Chicago, IL (MDW)	51,557	6,279,067	122	120%	166%	21%
14	Detroit, MI	49,449	10,735,466	217	97%	116%	9%
15	Miami, FL	46,723	9,199,873	197	51%	109%	38%
16	Los Angeles, CA	43,808	12,768,943	291	55%	124%	45%
17	Houston, TX (HOU)	41,424	5,350,265	129	122%	182%	27%
18	Charlotte-Douglas, NC	40,790	8,594,528	211	85%	128%	23%
19	Phoenix, AZ	40,246	10,146,853	252	41%	117%	54%
20	Boston, MA	35,912	7,701,855	214	136%	195%	25%
	Total All Markets	**2,483,132**	**537,866,459**	**217**	**74%**	**132%**	**33%**

ALL TOP 20 O&D MARKETS EXPERIENCED INCREASES IN PASSENGERS; OVERALL, PASSENGERS WERE UP 74%, WHILE REVENUE INCREASED 132% ON A 33% INCREASE IN AVERAGE FARES.

TOP INTERNATIONAL O&D MARKETS

Rank	Destination	O&D Passengers	O&D Revenue ($)	Average Fare ($)	YOY% Change		
					Pax	Rev	Fare
1	Cancun, Mexico	13,743	3,403,392	248	55%	90%	22%
2	Montego Bay, Jamaica	8,816	2,383,867	270	116%	170%	25%
3	Mexico City, Mexico	6,765	1,932,545	286	71%	71%	0%
4	London, UK (LHR)	6,507	3,548,460	545	771%	666%	(12%)
5	Punta Cana, Dominican Republic	5,952	1,918,239	322	193%	312%	41%
6	San Jose del Cabo, Mexico	5,132	1,535,129	299	45%	69%	16%
7	Nassau, Bahamas	4,229	1,232,947	292	188%	291%	36%
8	Toronto, Canada	4,096	1,227,330	300	307%	527%	54%
9	Leon/Guanajuato, Mexico	3,420	1,024,639	300	68%	81%	8%
10	Guatemala City, Guatemala	3,381	881,682	261	122%	180%	26%
11	Paris-De Gaulle, France	3,195	1,740,198	545	972%	520%	(42%)
12	Frankfurt, Germany	3,168	2,632,517	831	230%	232%	1%
13	Guadalajara, Mexico	2,764	824,159	298	62%	81%	12%
14	San Jose, Costa Rica	2,597	694,049	267	76%	105%	17%
15	Rome-Da Vinci, Italy	2,538	1,477,286	582	4,167%	2,749%	(33%)
16	Providenciales, Turks and Caicos Islands	2,491	778,707	313	30%	61%	25%
17	Puerto Vallarta, Mexico	2,351	573,485	244	103%	151%	24%
18	Liberia, Costa Rica	2,268	689,462	304	177%	228%	19%
19	Belize City, Belize	2,072	504,088	243	134%	186%	22%
20	Queretaro, Mexico	2,019	626,861	311	15%	31%	14%
	Total All Markets	**170,913**	**76,231,970**	**446**	**146%**	**218%**	**29%**

INTERNATIONAL MARKETS MADE UP 7% OF TOTAL O&D PASSENGERS AND 14% OF O&D REVENUE; OVERALL, INTERNATIONAL TRAFFIC MORE THAN DOUBLED YEAR OVER YEAR.

DEMOGRAPHICS REPORT FOR POSTAL CODES WITHIN 50 MILES OF BHM

Note: 2021 data is sourced from the US Census American Community Survey (ACS) 2021 5-year estimates and US Census 2020 Redistricting Date (PL 94-171). 2020 data is sourced from the US Decennial Census and US household data is from the US Census ACS 2019 5-year estimates. 2010 data is sourced from the 2010 US Decennial Census.

GENERAL	2021	2020	2010
Households	595,114	598,396	494,244
Media Household Value	$150,100	$147,230	$109,300
Avg. Household Income	$70,462	$67,766	$61,402
Per Capita Income	$31,411	$29,463	$24,643

POPULATION	2021	2020	2010
Total	1,344,590	1,350,442	1,290,391
White	896,412	864,400	913,890
African American	361,634	355,924	330,251
Hispanic	N/A	72,360	N/A
Asian	17,282	20,422	14,902
Hawaiian/Other Pacific Islander	308	630	288
Native American	3,652	5,416	3,499
Other	65,302	31,290	27,561

Birmingham Airport Authority
INTERSTATE ACCESS MAP

BIRMINGHAM FOOTPRINT
INTERSTATE ACCESS MAP

BHM IS CONVENIENTLY LOCATED ABOUT

4.5 MILES EAST OF
DOWNTOWN BIRMINGHAM
and the Uptown entertainment district

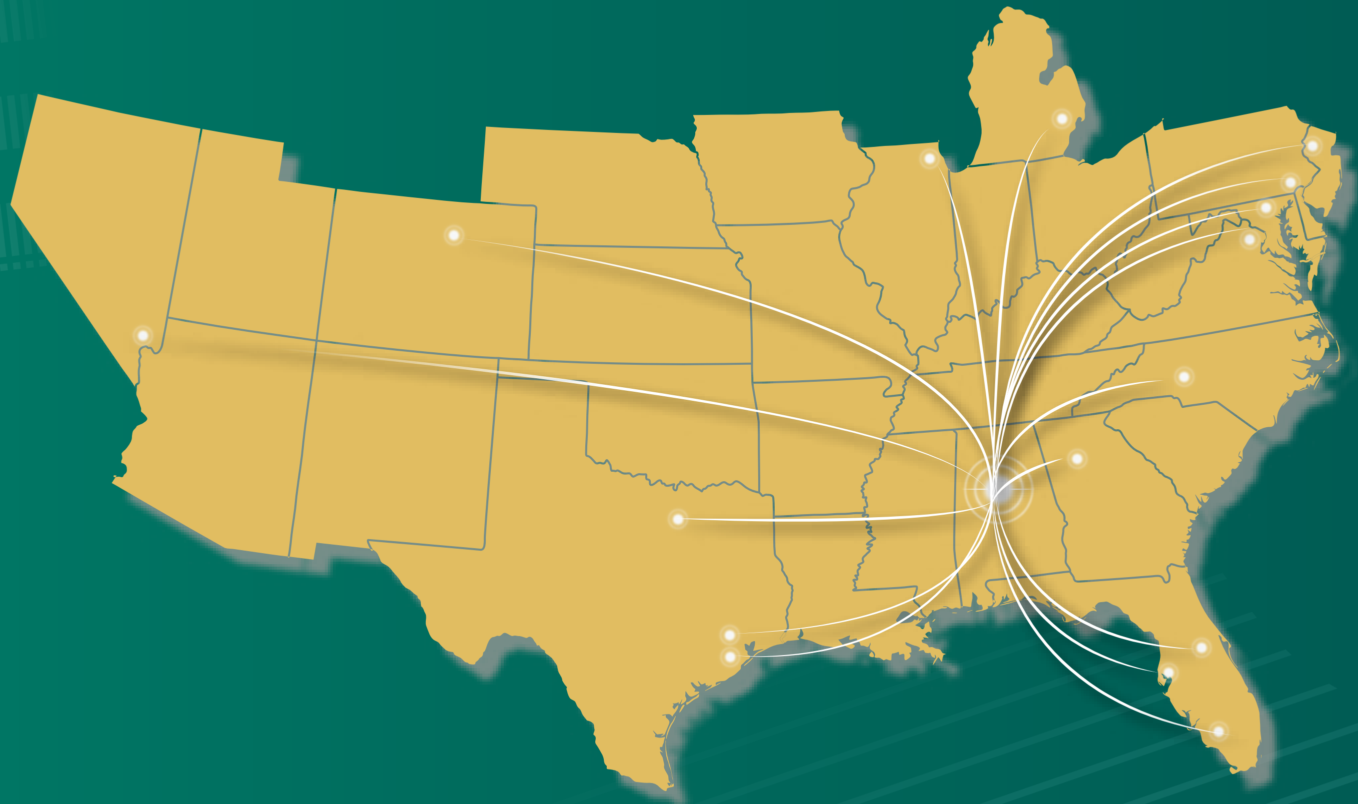
Complete with restaurants, bars, hotels, event facilities, and 45,000-seat stadium

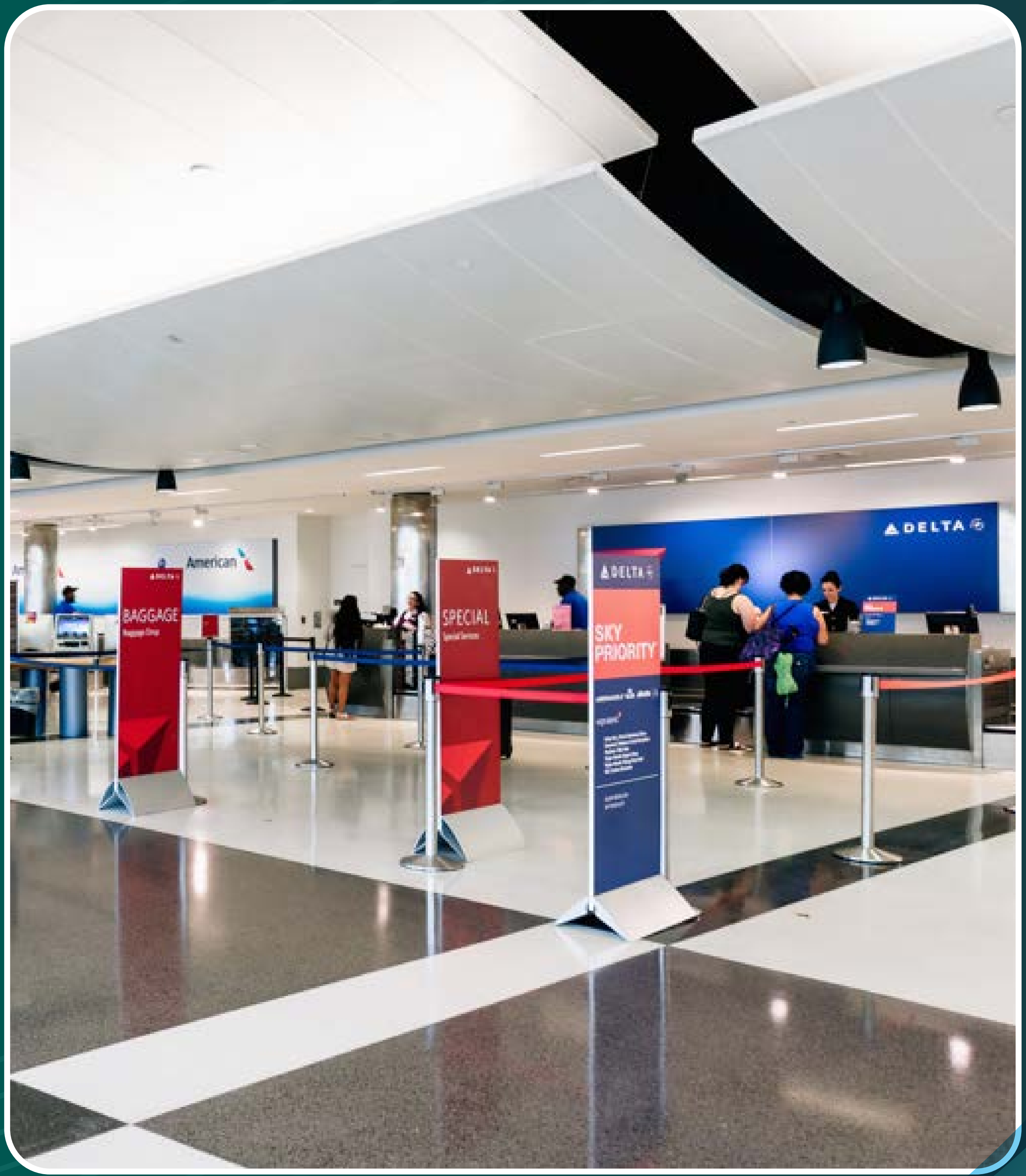
Adjacent to
INTERSTATES
20 & 59

WITH EASY ACCESS TO INTERSTATES
459, 65 & 22

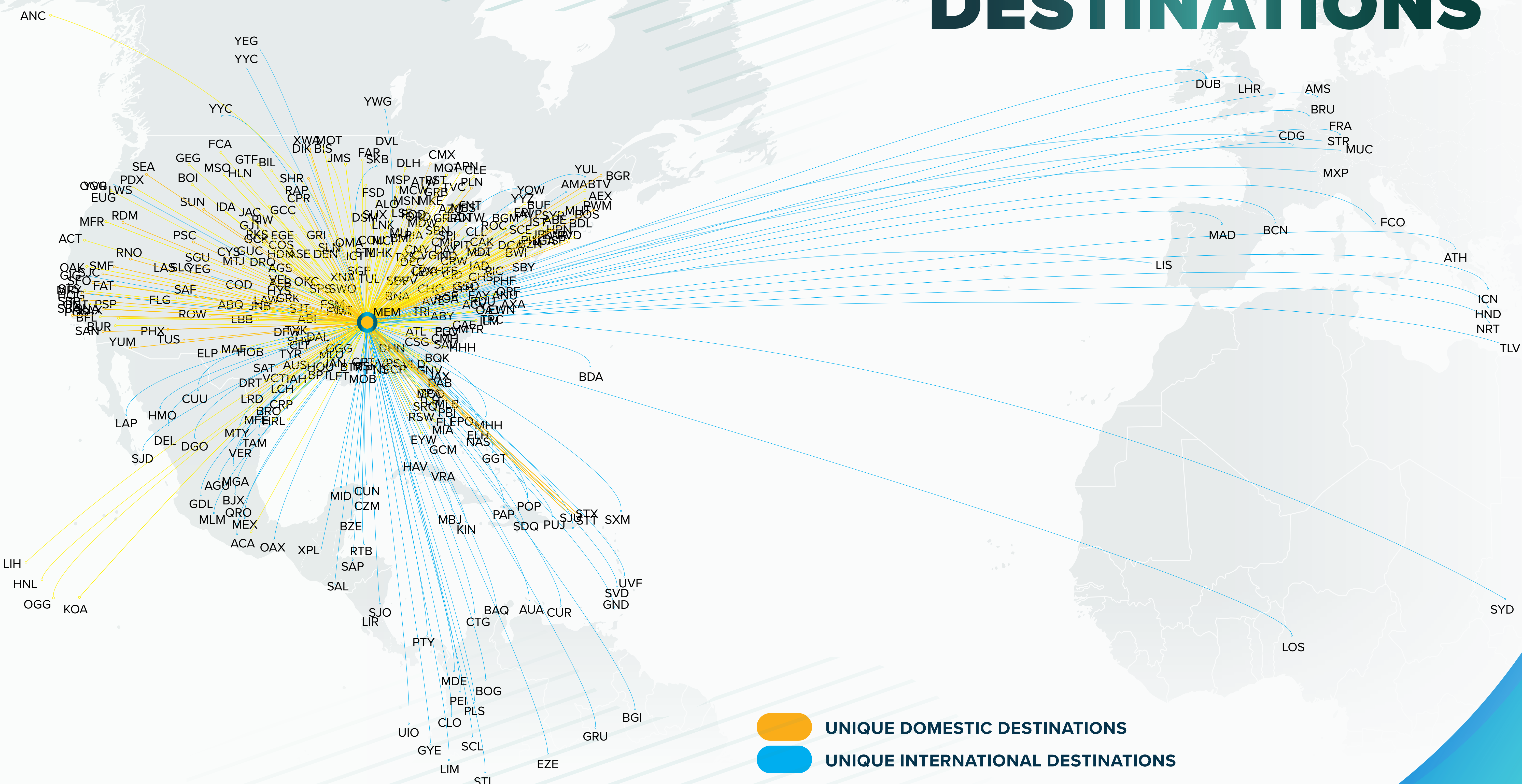
BHM NONSTOP ROUTE MAP
SUMMER 2022

ATLANTA	HOUSTON INTERCONTINENTAL
BALTIMORE	HOUSTON-HOBBY
CHARLOTTE	LAS VEGAS
CHICAGO MIDWAY	MIAMI
CHICAGO O'HARE	NEW YORK LAGUARDIA
DALLAS LOVE FIELD	ORLANDO
DALLAS / FT. WORTH	PHILADELPHIA
DENVER	TAMPA
DETROIT	WASHINGTON NATIONAL





BHM GLOBAL ACCESS
ONE-STOP DESTINATIONS



CONNECT MARKET LIST

DOMESTIC – 265 ONE-STOP MARKETS						
ABE	ABI	ABQ	ABY	ACT	ACV	AEX
AMA	ANC	APN	ART	ASE	ATL	ATW
AZO	BDL	BFL	BGM	BGR	BIL	BIS
BOS	BPT	BQK	BRO	BTR	BTV	BUF
CAE	CAK	CHA	CHO	CHS	CID	CLE
CMI	CMX	CNY	COD	COS	COU	CPR
CVG	CWA	CYS	DAB	DAL	DAY	DCA
DHN	DIK	DLH	DRO	DRT	DSM	DTW
ELP	ERI	EUG	EVV	EWN	EWR	EYW
FCA	FLG	FLL	FLO	FNT	FOD	FSD
GCK	GEG	GGG	GJT	GNV	GPT	GRB
GSO	GSP	GTF	GUC	HDN	HHH	HLN
HPN	HRL	HTS	HYS	IAD	IAH	ICT
ISP	JAC	JAN	JAX	JFK	JMS	JST
LAW	LAX	LBB	LCH	LEX	LFT	LGA
LRD	LSE	LWS	LYH	MAF	MBS	MCI
MDW	MEM	MFE	MFR	MHK	MHT	MIA
MLU	MOB	MOT	MQT	MRY	MSN	MSO
MYR	OAJ	OAK	OGG	OKC	OMA	ONT
PDX	PGV	PHF	PHL	PHX	PIA	PIT
PSP	PVD	PWM	RAP	RDM	RDU	RIC
ROA	ROC	ROW	RST	RSW	SAF	SAN
SBN	SBP	SBY	SCE	SDF	SEA	SFO
SHV	SJC	SJT	SJU	SLC	SLN	SMF
SRQ	STL	STS	STT	STX	SUN	SUX
TPA	TRI	TUL	TUS	TVC	TXK	TYR
VLD	VPS	XNA	XWA	YUM		

			INT'L – 101 ONE-STOP MARKETS			
AGS	ALB	ALO	AGU	AMS	ANU	ATH
AUS	AVL	AVP	AUA	AXA	BAQ	BCN
BMI	BNA	BOI	BDA	BGI	BJX	BOG
BUR	BWI	BZN	BRU	BZE	CDG	CLO
CLL	CLT	CMH	CTG	CUN	CUR	CUU
CRP	CRW	CSG	CZM	DEL	DGO	DUB
DEC	DEN	DFW	ELH	EZE	FCO	FPO
DVL	ECP	EGE	FRA	GCM	GDL	GGT
FAR	FAT	FAY	GIG	GND	GRU	GUA
FSM	FWA	GCC	HAV	HND	HOG	ICN
GRI	GRK	GRR	JNB	KIN	LHR	LIM
HNL	HOB	HOU	LIR	LIS	LOS	MAD
IDA	ILM	IND	MBJ	MDE	MEX	MGA
KOA	LAN	LAS	MHH	MID	MLM	MTY
LIH	LIT	LNK	MUC	MXP	NAS	NRT
MCO	MCW	MDT	OAX	PAP	PEI	PEK
MKE	MLB	MLI	PKX	PLS	POP	POS
MSP	MSY	MTJ	PTY	PUJ	PVG	PVR
ORD	ORF	PBI	QRO	RTB	SAL	SAP
PLN	PNS	PSC	SCL	SDQ	SJD	SJO
RIW	RKS	RNO	SKB	SLP	STI	STR
SAT	SAV	SBA	SVD	SXM	SYD	TAM
SGF	SGU	SHR	TLV	TRC	UIO	UVF
SNA	SPI	SPS	VER	VRA	XPL	YEG
SWO	SYR	TLH	YOW	YUL	YVR	YYC
TYS	VCT	VEL	YYZ			

BIRMINGHAM AIRPORT AUTHORITY